THE U.N. CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

HEARING

BEFORE THE

SUBCOMMITTEE ON ENVIRONMENT

OF THE

COMMITTEE ON
SCIENCE, SPACE, AND TECHNOLOGY
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

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*Ranking Republican Member.

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THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

TUESDAY, MAY 7, 1991

U.S. House of Representatives,
Committee on Science, Space, and Technology,
Subcommittee on Environment,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:45 a.m., in Room 2318, Rayburn House Office Building, Hon. James H. Scheuer [chairman of the subcommittee] presiding.

Mr. Scheuer. Good morning. This morning the Subcommittee on the Environment will examine the diverse preparations that are under way for the upcoming meeting of the United Nations Conference on the Environment—UNCED— on the Environment and Development—which is scheduled to take place next spring in Brazil. This conference will mark the 20th anniversary of the first environmental conference sponsored by the United Nations in Stockholm in 1972.

Of course, considerable progress has been made since that first meeting 20 years ago—19 years ago. In our own country, we have enacted strict laws dealing with air quality, water quality, and the disposal of hazardous waste, to name but a few. Other industrialized nations have taken significant steps to develop a similar environment code. International agreements ranging from the Montreal Protocol, dealing with the loss of stratospheric ozone, to the Convention on Trade and Endangered Species—CITES—have been ratified by many countries, and we can mention progress in other areas as well.

On the parliamentary level, a group drawn from the membership of the European Parliament and the Japanese Diet and the U.S. Congress, including all of the leadership of the Congress in both houses, meet several times a year to work on issues ranging from the maintenance of tropical forestry resources to hazardous waste disposal and protection of biological resources. Senator Al Gore is the current Chairman of this group, which is called GLOBE—Global Legislators for a Balanced Environment. Following the international meetings, individual parliamentarians involved in GLOBE take the work product back to their own country and endeavor to have concepts codified or otherwise adopted as national policy which reflect the consensus of these parliamentarians from all over the world on the environment.

Similarly, the Inter-Parliamentary Union celebrated its centenary in London in 1989 with a conference focused on a critical analysis of the global imbalance in food and population. The themes drawn at that meeting form the outline for the discussions to take place at the UNCED meeting next year; such themes as population pressures on fragile environments, inequitable distribution of resources, transboundary shipment of hazardous wastes, global warming, acid rain, the loss of biological diversity worldwide, increasing desertification, and the rapidly diminishing world supply of fresh water.

Prior to the 1989 conference in London, this committee, under this Chairman, also had hearings—preparatory hearings to the centenary conference in London—and those were published and distributed to IPU members, well over 1,000 of them. So this is a continuation of that precedent of getting folks with global reputations and highly respected insights to testify on what the UNCED, in this case, can do and what the main problems are that they should be addressing.

The increasing awareness over the decline in global environmental quality has been mirrored in other areas. The World Bank, for example, has begun to insist upon the establishment of certain environmental bona fides—good faith—as a condition for making loans. This policy seeks to strike a balance between the needs of countries to obtain capital to finance worthwhile development projects and the fact that in order to be environmentally sustainable, such development must be environmentally sound.

I look forward to hearing the Administration's report on the progress made on the preparation of the National Report and, more importantly, the progress that's being made in negotiating international agreements on forestry, biological diversity, and global climate change, to mention just a few. I also look forward to hearing from the representatives of the NGOs—the non-governmental organizations—who have been involved so productively and so creatively in the preparation for the UNCED meeting. In the past 20 years, one must allege, it has been the NGOs who have maintained the dynamic tension on governments and have spurred action in a number of ways. They have been the pacesetters, and they have spurred us all on to thinking more creatively and more incisively about global environment problems.

The United Nations Conference on Environment and Development is a topic of great interest to the members of Congress and this committee in particular. I can assure you that expectations are running high around the world that this conference will afford free and open debate on these difficult issues and that it will result in the adoption of resolutions which will improve the quality of life on Earth, both in the developing and in the developed countries.

Only a week or so ago, this committee met with a group of Brazilian parliamentarians drawn from across the political spectrum of that nation. They were deeply interested in technology transfer issues. They were deeply interested in loss of forestry resources, renewable resources, and the disposal of hazardous waste. These parliamentarians and their brothers and colleagues—brothers and sisters around the world—hold fervent hopes for the fruitful outcome of the 1992 conference in Brazil. We all share that hope.

I would now like to recognize the ranking member of the committee from Pennsylvania, Congressman Don Ritter, always a constructive, supportive member in matters of the environment — Congressman Don Ritter of Pennsylvania.

Please take such time as you may need.

[The prepared statement of Mr. Scheuer follows:]

OPENING STATEMENT
HONORABLE JAMES H. SCHEUER
MAY 7, 1991

Today, the Subcommittee on Environment will examine the preparations that are underway for the upcoming meeting of the United Nations Conference on Environment and Development scheduled to take place in Brazil in June 1992.

This conference will mark the twentieth anniversary of the first environmental conference sponsored by the United Nations in Stockholm.

Considerable progress has been made since that first meeting in 1972. In our own country, we have enacted strict laws dealing with air quality, water quality, and the disposal of hazardous wastes to name but a few. Other industrialized nations have developed a similar environmental code.

International agreements ranging from the Montreal Protocol dealing with the loss of stratospheric ozone to the Convention on Trade in Endangered Species have been ratified by many countries. We can also measure progress in other areas.

On the parliamentary level, a group drawn from the membership of the European Parliament, the Japanese Diet and the U.S. Congress was assembled as GLOBE -- Global Legislators Organized for a Balanced Environment. This group meets several times a year to work on issues ranging from the maintenance of tropical forestry resources, to hazardous waste disposal and protection of biological resources. Following the international meetings, individual parliamentarians take the work product back to their own country and endeavor to have the concepts codified or otherwise adopted as national policy.

Similarly, the Inter Parliamentary Union celebrated its centenary in London in 1989 with a conference focused on a critical analysis of the global imbalance in food and population. The themes drawn at that meeting concerning

- population pressures,
- inequitable distribution of resources,
- transboundary shipment of hazardous wastes,
- global warming,
- acid rain,
- loss of biological diversity,
- increasing desertification, and the
- rapidly diminishing world supply of fresh water

form the outline for the discussions to take place at the UNCED meeting next year.

The increasing awareness of a decline in global environmental quality has been mirrored in other quadrants. The World Bank, for example, has begun to insist upon the establishment of certain environmental bona fides as a condition for making loans. This policy seeks to strike a balance between the needs of countries to obtain capitol to finance development projects and the fact that in order to be sustainable, such development must be environmentally sound.

Although we have made incredible progress in the past twenty years, many energy and environment policy analysts opine that we have done far too little and that we are running out of time to shift the balance towards sustainability.

UNCED, predicted to be the largest meeting ever of heads of state, has served to focus our attention on what we must do collectively rather than as individual nations to insure the survival of the human species on planet earth.

I look forward to hearing the Administration's report on the progress made on the preparation of the National Report and more importantly, the progress that is being made in negotiating international agreements on forestry, biological diversity and global climate change.

I also look forward to hearing from the representatives of non-governmental organizations who have been involved in the preparations for the UNCED meeting. In the past twenty years, it has been the NGOs which have maintained the dynamic tension on governments and spurred action.

The United Nations Conference on Environment and Development is a topic of considerable interest to the Members of Congress and this Committee in particular.

I can tell you that expectations are running high around the world that this conference will afford free and open debate on these difficult issues and that it will result in the adoption of resolutions which will improve the quality of life on earth in developing and developed countries.

I recently met with a group of Brazilian parliamentarians drawn from across the political spectrum of that nation. They were interested in technology transfer issues, loss of forestry resources, renewable energy and disposal of hazardous wastes. These parliamentarians held fervent hopes for the fruitful outcome of the 1992 meeting. I share that hope.

I now recognize the ranking Republican Member from Pennsylvania, Don Ritter for his opening statement.

Mr. RITTER. Thank you, Mr. Chairman.

I want to commend you on your strong leadership in stimulating a global view of global environmental challenges. I'll be brief because I know we have eleven distinguished witnesses to hear from today. I also have jurisdiction as Ranking on a hearing on an environmental problem called "Interstate Waste Disposal," across the hall in 2322, and, in addition, we have eleven very distinguished witnesses to hear from today.

The U.N. Conference on Environment and Development is scheduled to take place in June, 1992, in Brazil. UNCED presents an extremely promising opportunity for constructive, multi-lateral discussion about a variety of environmental concerns, such as issues relating to conservation of wildlife and forest resources, stemming the loss of biodiversity, and dealing appropriately with global climate change. As the U.S. delegation undertakes the substantial job of preparing for this important conference, I hope to work with its leadership, as well as this Committee, with you Mr. Chairman at the helm, as well as with the non-governmental organizations to which the Chairman referred, who have done a yeoman's job in providing us with information, background, and ongoing activity.

I welcome our witnesses. I look forward to learning more about how the process leading up to UNCED is taking shape. And, I promise that if I can't attend too much of the hearing today, I will peruse the testimony in detail.

Thank you, Mr. Chairman. I yield back.

[The prepared statements of Mr. Ritter and Ms. Morella follow:]

OPENING STATEMENT
HON. DON RITTER (R-PA)
HEARING ON U.N. CONFERENCE ON ENVIRONMENT AND DEVELOPMENT
MAY 7, 1991

THANK YOU, MR. CHAIRMAN. FIRST, I WANT TO COMMEND YOU FOR YOUR STRONG LEADERSHIP IN STIMULATING A GLOBAL VIEW OF GLOBAL ENVIRONMENTAL PROBLEMS. I WILL BE BRIEF, BECAUSE WE HAVE ELEVEN DISTINGUISHED WITNESSES TO HEAR FROM TODAY.

THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT IS SCHEDULED TO TAKE PLACE IN JUNE, 1992, IN BRAZIL. UNCED PRESENTS AN EXTREMELY PROMISING OPPORTUNITY FOR A CONSTRUCTIVE MULTI-LATERAL DISCUSSION ABOUT A VARIETY OF ENVIRONMENTAL CONCERNS, SUCH AS ISSUES RELATING TO CONSERVATION OF WORLDWIDE FOREST RESOURCES, STEMMING THE LOSS OF BIODIVERSITY, AND DEALING APPROPRIATELY WITH GLOBAL CLIMATE CHANGE.

AS THE U.S. DELEGATION UNDERTAKES THE SUBSTANTIAL JOB OF PREPARING FOR THIS IMPORTANT CONFERENCE, I HOPE TO WORK WITH ITS LEADERSHIP, AS WELL AS THIS SUBCOMMITTEE, WITH YOU, MR. CHAIRMAN, AT THE HELM, AND THE NON-GOVERNMENTAL ORGANIZATIONS, WHICH HAVE DONE A YEOMAN'S JOB OF PROVIDING INPUT AND SUBSTANTIVE RECOMMENDATIONS. I WELCOME OUR WITNESSES, AND I LOOK FORWARD TO LEARNING MORE ABOUT HOW THE PROCESS LEADING UP TO UNCED IS TAKING SHAPE.

Constance Morella

UN CONFERENCE ON ENVIRONMENT AND DEVELOPMENT
CONGRESSWOMAN CONNIE MORELLA
MAY 7, 1991

MR. CHAIRMAN, I HAVE HEARD A GREAT DEAL ABOUT THE 1992 RIO DE JANEIRO CONFERENCE, AND I AM HAPPY TO WELCOME TODAY'S WITNESSES WHO WILL PROVIDE AN OVERVIEW OF THE UNITED STATES PREPARATIONS FOR UNCED. IT IS TO BE HOPED THAT THIS MEETING IN BRAZIL WILL SET THE AGENDA FOR SUSTAINABLE ECONOMIC DEVELOPMENT FOR THE 21ST CENTURY.

I LOOK FORWARD TO HEARING ABOUT THE CONTENT OF THE U.S. NATIONAL REPORT, WHICH WILL OUTLINE THE CONDITION OF THE NATION'S ENVIRONMENT AND PROVIDE INFORMATION ON THE STATUS OF THE CONVENTIONS ON BIODIVERSITY, FORESTS, AND CLIMATE CHANGE. THIS HEARING WILL ALSO EXAMINE THE NON-GOVERNMENTAL ORGANIZATIONS' VIEWS ON THE UNCED PROCESS.

POET HOWARD NEMEROV WROTE, "EARTH'S WRATH AT OUR ASSAULTS IS SLOW TO COME BUT RELENTLESS WHEN IT DOES." THE 1992 UNCED CONFERENCE IS THE EARTH'S OPPORTUNITY TO PLAN A SUSTAINABLE ENVIRONMENT FOR FUTURE GENERATIONS BASED ON INTERNATIONAL COOPERATION. IT IS OUR CHANCE TO CONTINUE THE GOOD WORK OF THE STOCKHOLM CONFERENCE ON THE HUMAN ENVIRONMENT. MR. CHAIRMAN, THANK YOU FOR SCHEDULING THIS INFORMATIVE HEARING.

Mr. **Scheuer**. Thank you, my colleague.

Today we'll hear from two really splendid Administration — three—no, two splendid Administration witnesses in the first panel and then a witness representing the National Audubon Society. We'll first hear from Mr. Michael Deland, Chairman of the U.S. Council of Environmental Quality.

We're delighted to have you, Mr. Deland.

STATEMENT OF MICHAEL DELAND, CHAIRMAN, U.S. COUNCIL ON ENVIRONMENTAL QUALITY, WASHINGTON, D.C.; ACCOMPANIED BY: LARRY FLICK, LIAISON OFFICE; PATRICIA BLISS-GUEST, INTERNATIONAL OFFICE; AND MARY HOLLAND, ASSISTANT

Mr. **Deland**. Thank you, Mr. Chairman. It's a pleasure to be here.

Mr. **Scheuer**. Let me say parenthetically that we would hope each of you would stick to 10 minutes, and we'll have to go to five minutes later on. But perhaps seven or eight minutes, and, of course, your full prepared testimony will be printed at the point in the record where you testify.

Please proceed.

Mr. **Deland**. Thank you, Mr. Chairman, and I will summarize my remarks and remain within those time constraints.

At the outset, I would like to introduce three people who are here with me who have contributed significantly to the preparation of this report and our international activities in general. Immediately behind me is Larry Flick, who heads our liaison office; on his right is Patricia Bliss-Guest, who heads our international office and has the lead role in the preparation of the report for CEQ and the U.S. Government; and on her right is Mary Holland, who is ably assisting Patricia in that endeavor.

I appreciate, Mr. Chairman, the opportunity to come before your subcommittee today to discuss CEQ's role in contributing to preparations of the U.S. Government for the United Nations Conference on Environment and Development. We at CEQ attach great importance to the myriad of activities and preparatory work which is under way both inside and outside the Government in advance of UNCED, recognizing that the conference offers a unique opportunity to address in an integrated and global manner the environmental problems that mankind is facing today and will face tomorrow.

CEQ is contributing to the U.S. Government's preparations for UNCED in three principal areas: first, in preparation of the U.S. National Report; secondly, in outreach to the non- governmental community; and thirdly, participation in the development and integration of U.S. policy. All three areas are closely intertwined, and while I will speak briefly to each separately, we must keep in mind that inextricable interrelationships exist among the three areas.

First, regarding the National Report, each country participating in the preparations of UNCED has been requested to prepare a national report by this July 1991. The national reports will provide the UNCED secretariat with basic information concerning environment and development trends— retrospectives reflecting upon each country's experience over the last 20 years since the Stockholm conference and an identification of current issues and challenges.

On the basis of this information, the secretariat will be able to analyze global and regional trends and practices as well as localized problems that are shared by many countries. Such an analysis will assist the UNCED Preparatory Committee meetings, known as the PrepComs, in identifying priority areas for future action.

The National Report will provide an important opportunity for the United States to share its wealth of experience in the area of environmental protection and in addressing the key linkage between environmental protection and economic development while identifying priority domestic environment and development challenges. In addition, preparation of the report is an important component of the multi-stage efforts of the U.S. Government and the non-governmental community to prepare for UNCED.

I might underscore your remarks, Mr. Chairman, as to the invaluable contribution of the NGO community.

Given the wide range of expectations, some of them inaccurate, I would like to take just a minute to describe what the national reports are not intended to be. The National Report is not intended to be the means to define U.S. policy on the issues to be addressed at UNCED. Government views and policies for purposes of UNCED will be articulated and negotiated principally by the U.S. delegates to the UNCED PrepComs. Nevertheless, the process of preparing the National Report, in particular the integrative thinking that it will stimulate, should reinforce the process by which the U.S. defines how it and others might address the national, regional, and global policies that will be considered at UNCED.

The working outline for the U.S. National Report is attached to my statement. This outline was prepared in consultation with collaborating Federal agencies on the basis of the guidelines that were adopted by the UNCED preparatory meeting in Nairobi last August. The U.S. delegation at the Nairobi meeting was an active participant in the shaping of those guidelines.

Preliminary drafts of each chapter of the report have been prepared by a broad range of Federal agencies. The agencies participating in preparing the report are identified at the end of the outline of the report.

The National Report will be one of the items of discussion before a series of five round tables we are planning to convene in order to seek comments and advice on the report and the issues being addressed at UNCED. A schedule of the round tables is also attached to my statement.

In addition to reviewing draft material for the National Report, the round tables will provide an opportunity to exchange views on both the domestic and international implications of the environment and development issues on the UNCED agenda. Each round table will be invited to consider four of the substantive topics on the UNCED agenda, and approximately half a day's discussion will be focused on each topic. We are confident that the round tables will generate many useful ideas which we will draw to the attention of those involved in the preparation of the National Report and in the policy-making process for future PrepCom meetings.

One round table, I might note, is being uniquely organized. The American Bar Association has generously agreed that a portion of the May 1991 annual meeting of the ABA's Standing Committee on

Environmental Law, which this year will focus on the role of law in UNCED, will be devoted to a review of the draft material on environmental law and on environmental impact assessment. Participation for that meeting, which will be held next week, will be mainly drawn from members of the ABA. Elliott Richardson will be the keynote speaker at that meeting to commence next Friday evening at Airlie House in Virginia.

CEQ attaches tremendous importance to its lead responsibility in the UNCED process for NGO outreach, since it recognizes that a wealth of insight, experience, and creative thinking exists in the non-governmental community. In addition to the important contributions of NGOs in the round table process, CEQ is aware that a great deal of work is being done outside the Government to prepare for UNCED. We look forward to making the fullest use of those efforts, and we're discussing with the organizations concerned the best means open to us to benefit from the dialogue and ideas that will emerge.

I began this statement by attesting to the great importance that CEQ attaches to the preparations for UNCED. UNCED is a major and ambitious undertaking, the goal of which is to address in a multi-lateral context the wide range of environment issues which the world is facing and the interactions of those issues with sustainable economic development. The conference will only be successful if all issues are understood in an integrated framework. Each government must seek to involve a cross-section of its agencies and decision-makers if it is to contribute meaningfully to the debate.

In full partnership with the State Department, CEQ has been actively assisting in the coordination and synthesis that is required for UNCED, both through the interagency process that we established for the National Report and in other interagency meetings that are reviewing U.S. policy preparations. Another essential function of the interagency process is to ensure that U.S. policy in the various parallel activities that are leading to UNCED—for example, negotiations on climate change, forestry, and biodiversity—is consistent and is mutually reinforcing.

CEQ, as you are well aware, is a policy and interagency coordinating office within the Executive Office of the President, and we are assisting in ensuring the required coordination. We are certain that this extensive multi-agency collaboration enhances the ability of the United States to play an influential role in the important global dialogue that is being undertaken in preparation for the conference.

Finally, I would like to conclude, Mr. Chairman, with a recognition of the significant contribution that Congress can make to the preparatory process for UNCED. Many members of Congress and their staffs have already expressed a keen interest in UNCED and in the various issues that are being addressed both within the context of the conference and in parallel negotiations. Just as we are aware of the need to seek the views and contributions of the non-governmental community, we welcome your input.

We are pleased with the timely convening of this hearing and look forward to those that are to follow, and we invite you to keep us informed of your debates and recommendations. We want to hear your views. We are ready to listen and to work with you. We are certain that these hearings and others, together with the numerous and varied inputs of the non- governmental community and the Government work on these issues, will promote a constructive debate that will strengthen and promote the role of the United States as a leader in the UNCED process.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Deland follows:]

STATEMENT OF
MICHAEL R. DELAND
CHAIRMAN OF THE COUNCIL ON ENVIRONMENTAL QUALITY

Before the

HOUSE SUBCOMMITTEE ON ENVIRONMENT
James H. Scheuer, Chairman
May 7, 1991

I am very pleased to be given this opportunity to come before this Subcommittee today to discuss CEQ's role in contributing to the preparations of the U.S. Government for the United Nations Conference on Environment and Development which will be convened by the UN in Brazil in June 1992. We at CEQ attach great importance to the myriad of activities and preparatory work which is underway both inside and outside the Government in advance of UNCED, recognizing that the conference offers a unique opportunity to address in an integrated and global manner the environmental problems that mankind is facing today and will face tomorrow.

CEQ is contributing to the US Government's preparations for UNCED in three principal areas: 1) Preparation of the US National Report, 2) Outreach to the nongovernmental community, and 3) Participation in the development and integration of U.S. policy.

All three areas are interrelated and it is difficult to address them separately. Therefore, while I will speak to each of these points, it is important to keep in mind the links among the three areas.

PREPARATION OF THE NATIONAL REPORT

Each country participating in the preparations of UNCED has been requested to prepare a national report by July 1991. The national reports will provide the UNCED secretariat with basic information concerning environment and development trends -- retrospectives reflecting each country's experience over the last twenty years, and an identification of current issues and challenges. On the basis of this information, the secretariat will be able to analyze global and regional trends and practices, as well as localized problems that are shared by many countries. Such an analysis will assist the UNCED Preparatory Committee meetings - the Prepcom's - in identifying priority areas for future action.

The National Report will provide an important opportunity for the U.S. to share its wealth of experience in the area of environmental protection and in addressing the key linkage between environmental protection and economic development while identifying priority domestic environment and development issues which we still face. In addition, preparation of the report is an important component of the multi-stage efforts of the U.S. government and the non-governmental community to prepare for UNCED.

I would like to take just one moment to describe what the national reports are not intended to be. We have found that there are some false expectations as to the goal of the national reports, and I think it would be useful to address this point head on. The national report is not intended to be the means for defining U.S. policy on the issues to be addressed at UNCED. Government views and policies for purposes of UNCED will be articulated and negotiated principally by the U.S. delegates to the UNCED Prepcoms. Nevertheless, the process of preparing the National Report, in particular the integrative thinking that it will stimulate, should reinforce the process by which the U.S. defines how it and others might address the national, regional and global policies that will be considered at UNCED.

The working outline for the U.S. National Report is attached to my written statement. This outline was prepared in consultation with collaborating federal agencies on the basis of the guidelines that were adopted by the UNCED preparatory meeting in Nairobi last August. The U.S. delegation at the Nairobi meeting was an active participant in shaping the UN guidelines.

Preliminary drafts of each chapter of the report have been prepared by a broad range of federal agencies. The agencies participating in preparing the report are identified at the end of the outline of the report. Preliminary work on the chapters was submitted to CEQ in mid-March, and this material has recently been circulated among the federal agencies participating in the drafting of the report. CEQ, together with the chapter team leaders, is now in the process of revising the preliminary draft chapters on the basis of the comments received. We expect to make the draft report available for purposes of public review later this month.

The National Report will be one of the items of discussion before a series of 5 roundtables that we are planning to convene in order to seek comments and advice on the report and the issues being addressed at UNCED. A schedule of the roundtables is also attached to my written statement.

In addition to reviewing draft material for the National Report, the roundtables will provide an opportunity to exchange views on both the domestic and international implications of the environment and development issues on the UNCED agenda. Each roundtable will be invited to consider four of the substantive topics on the UNCED agenda, and approximately half a day's discussion will be focused on each topic. CEQ is certain that the roundtables will generate many useful ideas which we will draw to the attention of those involved in the preparation of the National Report and in the policy making process for future Prepcom meetings.

Each roundtable will consist of 20 participants and will have at least two co-chairs from federal agencies and two vice-chairs from the nongovernmental community. CEQ will invite the roundtable co-chairs and vice-chairs to serve as a steering committee which CEQ will consult both in preparing for the roundtables, in selecting the participants, and in contributing to the national report. CEQ has invited federal agencies and nongovernmental organizations to inform it if any agency or organization is interested in nominating a co-chair or vice-chair for one of the roundtables.

One roundtable is being uniquely organized. The American Bar Association has generously agreed that a portion of the May 1991 annual meeting of ABA's Standing Committee on Environmental Law, which this year will focus on the role of law in UNCED, will be devoted to a review of the draft material on environmental law and on environmental impact assessment.

Participation for that meeting will mainly be drawn from members of the ABA.

OUTREACH TO THE NONGOVERNMENTAL COMMUNITY

CEQ attaches tremendous importance to its lead responsibility in the UNCED process for NGO outreach, since it recognizes that a wealth of insight, experience, and creative thinking exists in the nongovernmental community.

We wish to stress that the National Report is not the only vehicle for public participation in US preparations for UNCED. As already noted, the scope of the National Report is principally limited to our domestic activities and policies during the past twenty years. Yet UNCED will call upon participating countries to contribute to a debate on international and regional actions and policies. The preparation of the U.S. Government will be much broader than the scope of the National Report. Therefore, participants at the roundtables will be invited to exchange views on both the domestic and international policy implications of the issues before them. The views expressed at the roundtables on the policy implications for our future actions will be recorded in the proceedings of the roundtables, and they will be distributed to appropriate Government agencies for consideration in the formulation of U.S. positions to be put forth at UNCED.

CEQ is also aware that a great deal of work is being done outside of the Government to prepare for UNCED. We look forward to making the fullest use of those efforts, and we are discussing with the organizations concerned the best means open to us to benefit from the dialogue and ideas that will emerge.

COORDINATION AND INTEGRATION OF U.S. POLICY

I began this statement by attesting to the great importance that CEQ attaches to the preparations for UNCED. UNCED is a major and ambitious undertaking, the goal of which is to address in a multilateral context the wide range of environment issues which the world is facing and the interactions of those issues with sustainable economic development. The Conference will only be successful if all issues are understood in an integrated framework. Each Government must seek to involve a cross section of its agencies and decision makers if it is to contribute meaningfully to the debate. In full partnership with the State Department, CEQ has been actively assisting in the coordination and synthesis that is required for UNCED, both through the interagency process that we established for the national report and in other interagency meetings that are reviewing U.S. policy preparations. Another essential function of the interagency process is to ensure that US policy in the various parallel activities that are leading to UNCED (e.g., negotiations on climate change, forestry and biodiversity) is consistent and mutually reinforcing. CEQ, as you know, is a policy and interagency coordinating office within the Executive Office of the President, and we are assisting in ensuring the required coordination. We are certain that this extensive multi-agency collaboration enhances the ability of the U.S. to play an influential role in the important global dialogue that is being undertaken in preparation for the conference in Brazil in June 1992.

I would like to take this opportunity to note that CEQ feels that the UNCED process is fast gaining momentum, and we expect the next session of the Prepcom to begin to give definitive shape and substance to the proposed final products of the conference. At the Prepcom which was recently held in Geneva, we were particularly pleased with the key US role in promoting the initiative for a separate framework convention on forests and the discussions that took place on the possible elements of such a convention. We think the establishment of Working Group III which is looking at legal and institutional matters was also an important sign of progress. We expect that the achievements of the second session will be substantially reinforced at the August 1991 session where we believe substantive recommendations for future work on the issues before the conference will begin to emerge.

OUTREACH TO CONGRESS

I would like to conclude this statement with a recognition of the significant contribution that Congress can make to the preparatory process for UNCED. Many members of Congress and their staffs have already expressed a keen interest in UNCED and in the various issues that are being addressed both within the context of the conference and in parallel negotiations. Just as we are aware of the need to seek the views and contributions of the nongovernmental community, we welcome your input. We are pleased with the timely convening of this hearing and look forward to those that are to follow, and we invite you to keep us informed of your debates and recommendations. We want to hear your views: we are ready to listen and to work with you. We are certain that these hearings and others, together with the numerous and varied inputs of the nongovernmental community and the government work on these issues, will promote a constructive debate that will strengthen and promote the role of the US as a leader in the UNCED process.

April 30, 1991

DRAFT OUTLINE OF UNITED STATES NATIONAL REPORT FOR UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

Introduction
Executive Summary

CHAPTER I: Economic and Demographic Trends: 1972-1990

Introduction
Economic Growth
Energy Use and Conservation
Demographics Trends
Distribution of Income and Wealth

CHAPTER II: Natural Resources Endowment and Key Environmental Issues

Air and Atmosphere
Freshwater and Wetlands
Oceans and Coastal Resources
Land and Mineral Resources
Plants, Animals and Biodiversity
Energy
Toxic Substances
Wastes
Biotechnology
Human Health
Health Status of the Poor and Special Populations

CHAPTER III: Environmental Emergencies and Natural Disasters

Last Twenty Years
Means Established to Anticipate, Prevent and Manage

CHAPTER IV: Environmental Law and Institutions

Introduction
Constitutional Framework
Statutory Framework
Conclusion
Appendix I: Environmental Legislation
Appendix II: Federal Agencies Administering Environmental Statutes
Appendix III: Congressional Committee Structure for Environmental Matters
(Not yet available)
Appendix IV: Brief Description of Federal Court System
(Not yet available)

CHAPTER V: Environmental Impact Assessment

Purpose of the EIA Process under NEPA
Agency Responsibilities
Judicial Review
Current Issues
Appendix I: Case Study 1
Appendix II: Case Study 2

CHAPTER VI: Environmental Education

Introduction
Sources in Environmental Education
Roles and Initiatives
Issues in Environmental Education

CHAPTER VII: Population Statistics and the Environment

Demographic Distribution
Immigration Trends and Policies
Education Levels of Population Groups
Income Levels

CHAPTER VIII: Indigenous Americans and the Environment

Economic Development
Indigenous Peoples
The Past Twenty Years
Issues
Summary

CHAPTER IX: Environment Economics and Financial Assistance

Overview
Costs of Environmental Protection
Environmental Benefits
International Trade
Technology Transfer
International Assistance Programs

April 17, 1991

SCHEDULE FOR ROUNDTABLES

Roundtable I

May 17-18, Warrenton, Virginia, American Bar Association meeting on environmental law

Environmental law
Environmental impact assessment

Roundtable II

June 3-4, San Francisco

Biological diversity
Oceans
Freshwater
Environmental education

Roundtable III

June 13-14, Denver

Atmosphere
Energy
Protection of land resources (deforestation, soil erosion, drought, desertification)
Indigenous Americans and environmental protection

Roundtable IV

June 26-28, Chicago

Biotechnology
Economics and the environment (including costs and benefits of environmental protection, trade, technology transfer, debt, and international assistance)
Population statistics and the environment

Roundtable V

July 11-12, Baltimore

Waste and toxic chemicals
Environmental emergencies
Living and working conditions of the poor
Human health

Mr. SCHEUER. Well, thank you very much, Mr. Deland.

We'll now hear from Mr. Curtis Bohlen, Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs.

Please proceed, Mr. Bohlen. We're delighted to have you here today.

STATEMENT OF CURTIS BOHLEN, ASSISTANT SECRETARY OF STATE FOR OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS, U.S. DEPARTMENT OF STATE, WASHINGTON, D.C.; ACCOMPANIED BY: ROBERT J. RYAN, FORMER AMBASSADOR TO MALI; DAVID COTTINGHAM, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION; AND SUSAN DRAKE, U.S. ENVIRONMENTAL PROTECTION AGENCY

Mr. BOHLEN. Thank you, Mr. Chairman.

I wish to thank you and members of this committee for the opportunity to report on preparations for the United Nations Conference on Environment and Development. This conference, commonly known as UNCED, as you know, will take place in Rio in June 1992. As the 1972 Stockholm Conference on the Human Environment structured the international environmental agenda for the last 20 years, so UNCED will set the tone well into the next century.

Recognizing that all of us, governments and citizens alike, share the responsibility for protecting the earth, we believe UNCED offers an excellent opportunity to shape a new, well-defined, practical and comprehensive approach to environmentally sound development as we enter the 21st century. We must focus on the vital interrelationship between natural resources conservation and economic development. Our overarching goal for UNCED is to facilitate international cooperation in more effective programs to protect our environment in a manner that is fully integrated with economic and development strategies. This is the essence of the concept of sustainable development which the U.N.'s Bruntland Commission detailed in its report "Our Common Future."

In December 1989 the U.N. General Assembly, in resolution 44/228, called for a U.N. Conference on Environment and Development to be held in Brazil at the highest possible level of participation to commemorate the 20th anniversary of the Stockholm conference. Pursuant to that resolution, the U.N. Secretary General appointed Maurice Strong, a Canadian, to be Secretary General of the conference. Strong, who fulfilled the same role at Stockholm in 1972, has set up an ad hoc secretariat in Geneva.

The purpose of the conference is to devise strategies and measures to halt and reverse the effects of environmental degradation world-wide. The General Assembly also agreed that the conference should focus on the link between environment and economic development and promote sustainable and economically sound development in all countries.

UNCED will be among the most comprehensive, broad- reaching, diverse and complex international conferences ever held. Within the United States, we will require the participation of numerous Federal agencies and countless non- governmental organizations representing all sectors of society. To coordinate U.S. policy and preparations for UNCED, we have set up an interagency task force and a coordination center headed by Robert J. Ryan, former Ambassador to Mali and Deputy U.S. Representative to the Organization of Economic Cooperation and Development.

Ambassador Ryan, who is with me today, is an economist with extensive experience in developing countries and multi- lateral diplomacy. Members of the coordination center staff are being provided by Federal agencies with experience in both environment and development. These include EPA, the Bureau of Land Management, A.I.D., the Army Corps of Engineers, the U.S. Forest Service, and the Fish and Wildlife Service. Other agencies, such as NOAA and EPA, have designated top staff people to work with Ambassador Ryan without actually joining the center. Two of them I have with me today: David Cottingham of NOAA and Susan Drake of EPA.

Besides preparing our country's national report, as Chairman Deland already discussed, CEQ is working closely with us on overall UNCED policy. CEQ is also providing office space for the UNCED coordination center to enable us to work together as partners to gather the necessary advice and expertise from NGOs, private business, State and local governments, and the academic community.

To prepare for UNCED in 1992, the U.N. General Assembly created a preparatory committee, chaired by Tommy Koh of Singapore, an ambassador with extensive experience in U.N. activities. The committee held its first session in Nairobi last August and the second in Geneva last March. As you can see from the chart here, there will be two more preparatory meetings: one in Geneva this August and the other in New York next March.

The committee, which comprises representatives from some 140 nations, has set up three subcommittees. Working Group I, chaired by Sweden, deals with atmosphere and climate change, land resources, forests, and biodiversity. Working Group II, chaired by Nigeria, handles oceans, fresh water, wastes, and toxics. Working Group III, chaired by Czechoslovakia, focuses on legal and institutional issues.

The Preparatory Committee is addressing in plenary sessions all the cross-cutting issues such as financial assistance, technology transfer, poverty, environmental education, and environmental health. Having headed our delegation to both meetings, I can report that the Preparatory Committee made more progress at its second meeting than it did at its first. PrepCom II was better structured and got off to a faster start. Delegates from 108 countries quickly approved an agenda. They set up a flexible procedure for accrediting non-governmental organizations based on the Nairobi decision pushed by the U.S. As a result, 179 environmental and development groups were able to participate at Geneva.

Substantively, the most satisfying progress in Geneva came on forests. Momentum is clearly building among both developing and developed countries for signing a global forest agreement at Rio, as proposed by President Bush and endorsed by the G-7 Heads of State last July in Houston. Work has begun in earnest on the elements of such an agreement and the general principles it might contain. While there is broad concurrence that it should address temperate as well as tropical forests, sustainable harvest, biodiversity, barriers to trade, and so on, there is still disagreement over its form and legal nature.

All of this is not to say there were no blemishes in PrepCom II. There was little substantive discussion on action-oriented U.S. initiatives on oceans and toxic chemicals. The UNCED secretariat, however, is still working on its report on these issues for the August meeting, and we are confident our proposals will provide useful ideas for their consideration.

There was no clear agreement on the role of the Preparatory Committee in dealing with climate change and biodiversity, issues that are being negotiated in separate forums. There was no decision and little substantive discussion on what the output of the 1992 conference should be, although the Secretary General proposed a declaration of principles he is calling "Earth Charter" and a program of action he has dubbed "Agenda 21." This leaves the initiative with the Secretariat to produce preliminary versions in time for the remaining Preparatory Committee meetings. Since by previous agreement nc formal meetings are scheduled between preparatory sessions, little time is available.

I should note here that one of the more rewarding aspects of the Geneva meeting was the presence of congressional staffers and NGO representatives on the U.S. delegation. Fran Spivy-Weber was with us all three weeks at Geneva. All seven observers were hardworking, involved, and very helpful to the delegation. This has reinforced for me and others the importance of working closely with the Congress in preparing for UNCED.

PrepCom III, also in Geneva, will start August 12 and run for four weeks. To succeed, it must heed the admonition of Chairman Koh and begin to make action-oriented recommendations on all issues. In other words, it's time to talk substance rather than procedure if there are to be any meaningful results to be considered at Rio. We will table such proposals on a wide variety of issues. We hope other governments will do this as well. We need to address the difficult cross- sectoral issues—that is, financial cooperation, technology transfer, population, alleviation of poverty. They are scheduled to be dealt with mainly in the plenary but will also be major considerations in all the working group discussions and decisions.

In preparing for the August session, the UNCED Secretariat is supposed to complete and distribute comprehensive reports on all the issues listed in the attached summary, attached to my testimony. We have much work to do before August in reviewing these reports and arriving at sensible and constructive positions on the myriad of issues to be considered. We will need advice and assistance from the Congress as well as from the private sector.

Mr. Chairman, I welcome your ideas and look forward to working with you over the 13 brief months before Rio. Thank you.

[The prepared statement of Mr. Bohlen follows:]

STATEMENT OF

CURTIS BOHLEN
ASSISANT SECRETARY OF STATE for
OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS
Before the
HOUSE COMMITTEE ON SCIENCE, SPACE AND TECHNOLOGY
SUBCOMMITTEE ON ENVIRONMENT
JAMES H. SCHEUER, CHAIRMAN

May 7, 1991

Mr. Chairman, I wish to thank you and members of this Committee for the opportunity to report on preparations for the United Nations Conference on Environment and Development. This conference, commonly known as UNCED, will take place in Rio de Janeiro in June 1992. As the 1972 Stockholm Conference on the Human Environment structured the international environmental agenda for the last twenty years, UNCED will set the tone well into the next century.

Recognizing that all of us, governments and citizens alike, share the responsibility for protecting the Earth, we believe UNCED offers an excellent opportunity to shape a new, well-defined, practical and comprehensive approach to environmentally-sound development as we enter the 21st century. We must focus on the vital interrelationship between natural resources conservation and economic development. Our overarching goal for UNCED is to facilitate international cooperation in more effective programs to protect our environment in a manner that is fully integrated with economic and development strategies. This is the essence of the concept of sustainable development which the UN's Bruntland Commission detailed in its report "Our Common Future."

In December 1989 the UN General Assembly in resolution 44/228 called for a UN Conference on Environment and Development to be held in Brazil, at the highest possible level of participation, to commemorate the 20th anniversary of the Stockholm Conference in conjunction with World Environment Day, June 5, 1992. Pursuant to that resolution, the UN Secretary General appointed Maurice Strong, a Canadian, to be Secretary General of the conference. Strong, who fulfilled the same role at Stockholm in 1972, has set up an ad hoc secretariat in Geneva.

The purpose of the conference is to devise strategies and measures to halt and reverse the effects of environmental degradation worldwide. The General Assembly also agreed that the conference should focus on the link between environment and economic development and promote sustainable and economically sound development in all countries.

US Preparations for UNCED

UNCED will be among the most comprehensive, broad-reaching, diverse and complex international conferences ever held. Within the United States, we will require the participation of numerous federal agencies and countless non-governmental organizations representing all sectors of society. To coordinate U.S. policy and preparations for UNCED, we have set up an interagency task force and an UNCED Coordination Center headed by Robert J. Ryan, former Ambassador to

Mali and deputy U.S. representative to the Organization of Economic Cooperation and Development. Ambassador Ryan, who is with me today, is an economist, with extensive experience in developing countries and multilateral diplomacy.

Members of the U.S. UNCED Coordination Center staff are being provided by Federal agencies with experience in both environment and development, these include EPA, the Bureau of Land Management, A.I.D., the Army Corps of Engineers, the U.S. Forest Service, and the Fish and Wildlife Service. Other agencies such as NOAA, have designated top staff people to work with Ambassador Ryan without physically joining the Center.

Besides preparing our country's national report, as Chairman Deland is discussing, the Council on Environmental Quality is working closely with us on overall UNCED policy. CEQ is providing office space for the UNCED Coordination Center to enable us to work together as partners to gather the necessary advise and expertise from NGOs, private business, state and local governments, and the academic community.

The UNCED Preparatory Process

To prepare for UNCED in 1992, the UN General Assembly created a Preparatory Committee, chaired by Tommy Koh of Singapore, an ambassador with extensive experience in UN activities. The Committee held its 1st session in Nairobi last August and the second in Geneva last month. As you can see from the chart, there will be two more preparatory meetings, one in Geneva this August and the other in New York next March. The Committee, which comprises representatives from some 140 nations, has set up three subcommittees:

-- Working Group I, chaired by Sweden, deals with atmosphere and climate change, land resources, forests and biodiversity;
-- Working Group II, chaired by Nigeria, handles oceans, freshwater, wastes and toxics; and
-- Working Group III, chaired by Czechoslovakia, focus on legal and institutional issues.

The Preparatory Committee, in plenary session, is addressing the cross-cutting issues, such as financial assistance, technology transfer, poverty, environmental education and environmental health. The attached list gives a flavor of the range of environmental and developmental issues, which I see are being addressed by panels of experts at this hearing.

Results of the Second Preparatory Meeting

Having headed our delegation to both meetings, I can report that the Preparatory Committee made more progress at its second meeting than it did at its first. The Geneva meeting was better structured; it got off to a faster start.

Delegates from 108 countries quickly approved an agenda. They set up a flexible procedure for accrediting non-governmental organizations, based on a Nairobi decision pushed by the U.S. As a result, 134 environmental and developmental groups were able to participate at Geneva.

The delegates also established Working Group III with strong terms of reference. We were successful in focusing its mandate on legal and institutional matters. In its opening sessions, we tabled a detailed proposal on UN institutional reform and presented some practical considerations related to environmental dispute resolution. Other delegations commented favorably on both proposals.

Aside from more efficient handling of procedural issues, the discussion was more constructive this time. The UNCED Secretariat received detailed guidance on its future work, perhaps more than it had bargained for. Substantive debate began on a number of issues, including marine pollution, hazardous wastes, toxic chemicals and soil loss. Divisive discussion on cross-cutting issues like financial resources was avoided for the moment. Developing countries welcomed statements from the U.S. and other industrialized nations on technology transfer.

Substantively, the most satisfying progress in Geneva came on forests. Momentum is clearly building among both developing and developed countries for signing a global forest agreement at Rio, as proposed by President Bush and endorsed by the G-7 heads of state last July in Houston. Work has begun in earnest on the elements of such an agreement and the general principles it might contain. While there is broad concurrence that it should address temperate as well as tropical forests, sustainable harvest, biodiversity, barriers to trade, etc., there is still disagreement over its form and legal nature.

This is not to say there were no blemishes in PrepCom II.

-- There was little substantive discussion on action-oriented U.S. initiatives on oceans and toxic chemicals. The UNCED Secretariat, however, is still working on its reports on these issues for the August meeting; we are confident our proposals will provide useful ideas for their consideration.

-- There was no clear agreement on the role of the Preparatory Committee in dealing with climate change and biodiversity, issues that are being negotiated in separate forums.

-- There was no decision, and little substantive discussion, on what the output of the 1992 conference should be, although the Secretary General proposed a declaration of principles he is calling "Earth Charter" and a program of action he has dubbed "Agenda 21." This leaves the initiative with the Secretariat to produce preliminary versions in time for the remaining Preparatory Committee meetings. Since by previous agreement, no formal meetings are scheduled between preparatory sessions, little time is available.

I should note here that one of the more rewarding aspects of the Geneva meeting was the presence of four Congressional staffers and three NGO representatives on the U.S. delegation. Fran Spivy-Weber, was with us all three weeks at Geneva. All seven observers were hard-working, involved, and very helpful to the delegation. This reinforced for me and others the importance of working closely with the Congress in preparing for UNCED.

Strategy for the Third Preparatory Meeting

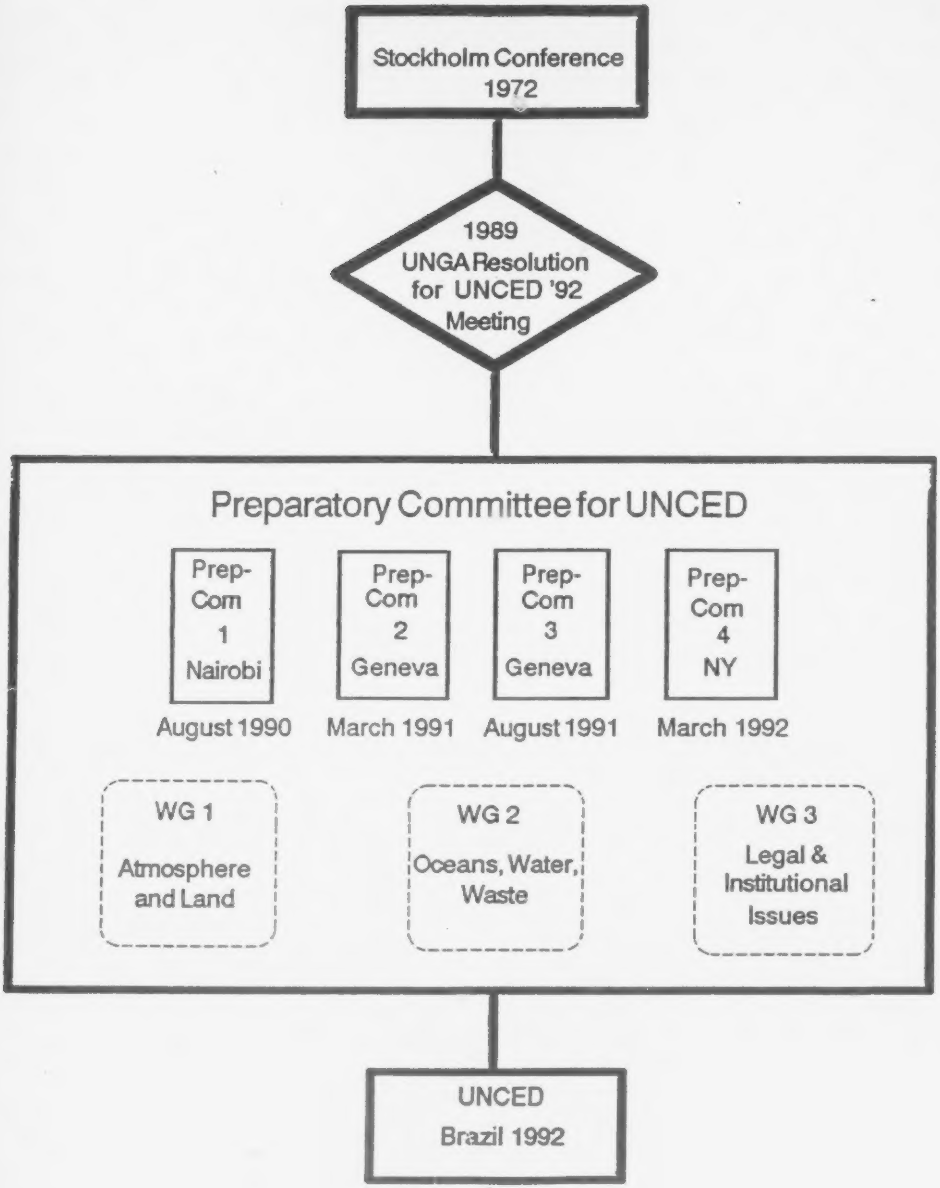
The next meeting, also in Geneva, will start August 12 and run for four weeks. To succeed, it must heed the admonition of Chairman Koh to "begin to make action-oriented recommendations on all issues." In other words, it's time to talk substance rather than procedure, if there are to be any meaningful results to be considered at Rio.

We will table such proposals on a wide variety of issues. We hope other governments and the Secretariat will do this as well. We will also stress positive US accomplishments available to the world: public participation in decision making, information technology, cooperation with neighboring countries, examples of sustainable development funded by AID in developing countries.

We need to address the difficult cross-sectoral issues (e.g., financial cooperation, technology cooperation, alleviation of poverty). They are scheduled to be dealt with mainly in the plenary, but will also be major considerations in all the working group discussions and decisions.

Before the August session, the UNCED Secretariat is supposed to complete and distribute comprehensive reports on oceans issues, land resources, biodiversity, biotechnology, freshwater, hazardous wastes and toxic chemicals. These will include the added material requested by Prepcom II. The Secretariat will also distribute initial reports on subjects that will be discussed for the first time; ozone depletion, trans-boundary air pollution, desertification and drought, prevention of illegal traffic in toxic chemicals, and human settlements.

We have much work to do before August in reviewing the UNCED Secretariat's reports and arriving at sensible and constructive positions on the myriad issues to be considered. We will need advice and assistance from the Congress as well as from the private sector. I welcome your ideas and look forward to working with you over the thirteen brief months before Rio.


Stockholm Conference 1972
1989 UNGA Resolution for UNCED '92 Meeting
Preparatory Committee for UNCED
Prep-Com 1 Nairobi
August 1990
Prep-Com 2 Geneva
March 1991
Prep-Com 3 Geneva
August 1991
Prep-Com 4 NY
March 1992
WG 1 Atmosphere and Land
WG 2 Oceans, Water, Waste
WG 3 Legal & Institutional Issues
UNCED Brazil 1992

SUMMARY OF TOPIC
UNCED SECRETARIAT IS ANALYZING

ENVIRONMENTAL ISSUES

Climate Change: costs of the impacts of climate change (UNEP study); interconnection with agriculture, biodiversity, energy, forests, industry, oceans, transport, cross-sectoral issues.

Ozone Depletion: implementation of the Montreal Protocol.

Transboundary Air Pollution: technology, training and financial assistance needed by developing countries to monitor and assess.

Forests: historic loss of all types of forests; roles of forests; economic and energy values; world trade in timber and products; interlinkages with climate change and biodiversity; potentials for global action on the management, conservation and sustainable development.

Land Resources and Degradation: a fully integrated approach to the problem of land degradation (including soil loss, drought and desertification) and underlying causes; alternative sustainable systems of agricultural production, especially economic, social, developmental, resource and financial aspects, and popular participation.

Biodiversity: operational requirements for conservation and sustainable use of biological resources; relationships with relevant aspects of biotechnology, climate change, and forests.

Biotechnology: benefits of environmentally sound application of biotechnology; role of the private sector in technology transfer.

Oceans

- General: institutional, legal and human capabilities; mechanisms for capacity building; monitoring and data management capabilities, e.g., the Global Ocean Observing System; and relationships with climate change and biodiversity.
- Marine Pollution: progress on London Dumping Convention; land-based sources of marine pollution; early warning systems; clean production techniques; effectiveness of control measures.
- Coastal Areas: linkages with poverty, demographic change and human settlement; impact of and response to sea-level rise.
- Marine Living Resources: ecological conditions; marine habitat; impact of large-scale harvesting and new technologies.

Freshwater: supply and quality; monitoring and assessment; relationships to agriculture, forests, energy, industry, settlements; transboundary freshwater resources; integrated water resources management.

Wastes and Toxics: waste prevention and minimization at the source; guidelines for distinguishing recyclables; implementation of the Basel Convention; solid wastes and sewage-related issues; clean technologies; international mechanisms to prevent hazardous wastes; life-cycle approach to toxics; code of conduct for toxics; regional emergency response; harmonization of control standards; chemical risk communication; prevention of illegal international traffic in toxic and dangerous products and wastes.

CROSS-SECTORAL ISSUES

Environment and Development: relationship between poverty, lack of growth and environmental degradation; relationship of demographic developments, economic growth, unsustainable consumption patterns and environmental degradation; the international economy and the degradation of the environment; economic instruments and market mechanisms for an environmentally sound development pattern.

Transfer of Technology: adequacy of existing vehicles of international technology cooperation; barriers causing the underuse of environmentally sound technologies; potential new mechanisms for favorable access to and the transfer of environmentally sound technologies; issues of proprietary rights.

Financial Resources: funding requirements under conventions and protocols; additional needs of developing countries; full and efficient use of existing resources for environmentally sound programs; potential funding mechanisms.

Energy/Transportation/Industry: actions to facilitate the development and transfer of technology for new and renewable sources of energy.

Environmental Health: environmental factors affecting human health; health consequences of exposure to these factors and causal relationships; expected trends, including new technologies; needed research and strategies to prevent or mitigate the most serious environmental health trends.

Human Settlements: problems of the urban and rural poor.

Environmental Data Analysis and Monitoring: capacity for identifying, analyzing, and monitoring environmental problems; exchange of information on national environmental policies, situations and accidents; cooperation between neighboring countries.

Environmental Education and Public Awareness: crucial needs and current efforts; successes and constraints; potential action areas.

Other Concerns: the role of women in utilization and protection of resources; the special relationships of indigenous peoples and the importance of traditional knowledge.

LEGAL AND ENVIRONMENTAL ISSUES

Survey of existing agreements and instruments, and criteria for evaluation; principles on general rights and obligations; other legal, institutional and related matters, as well as legal and institutional aspects of cross-sectoral issues.

Mr. **Scheuer**. Thank you very much, Mr. Bohlen. I truly look forward to working with you over these very pregnant and hopeful 13 months.

Now we'll hear from Ms. Frances Spivy-Weber, Director of International Programs for the National Audubon Society.

Ms. Weber?

STATEMENT OF FRANCES SPIVY-WEBER, DIRECTOR, INTERNATIONAL PROGRAMS, NATIONAL AUDUBON SOCIETY, WASHINGTON, D.C.

Ms. **Spivy-Weber**. Thank you very much, Mr. Chairman.

The Navajo say that the ideal person, the ideal community, should be visualized as a circle on which there are two axes. On the east-west axis, you would have the spiritual balance with the family. On the north-south axis, you have the economic balance with nature. I think this is a good picture to illustrate what we are trying to achieve in this U.N. Conference on Environment and Development.

I have to say—I will submit my testimony for inclusion in the record, and I will cover some of it right now. The principal point is we are just at the mid-term of this effort. I would have to give the Government a C+ at this stage, because much of the preparation is still to come. I would also have to give Congress perhaps an even lower grade, and the non-governmental community, while doing a very good job, does not get an A. So we all have a lot of work to do ahead of us.

There are, however, some encouraging signs. After a year with almost no staff, the State Department does now have a technical team that is beginning to cover most of the critical issues. Three members of the delegation did come from the non-governmental community, representing population—which was a very brave move on the part of this Government— development, and environment.

I will be putting development before environment in much of my statement, because one of the things that we are having to learn with this meeting in the environmental community is that development is going to be a crucial component. It actually has to be melded with environment. When we think of environment, we do have to have the development component there, or we are finding our solutions don't work.

The delegation leadership from Ambassadors Bohlen and Ryan are extensive and very impressive and very appropriate. They've worked in the development field as well as the environment field, and they were very open to working with non-governmental groups.

On the issues of oceans and toxics and several other issues, there was extensive preparation done by particularly the Department of Commerce and EPA. There needs to be, however, greater preparation in some of the other departments: Energy, Treasury, and A.I.D.

After several false starts—a slow start, I would say — the Council on Environmental Quality now is moving ahead, and we are, as we heard earlier, starting the round tables, and there should be a great deal of information gathered at these round tables, and they will be a wonderful opportunity, speaking as a non-governmental person who has been working with CEQ on developing these round tables, for people out in the country to get to know the process, understand the issues, and contribute.

In summary, I would say that there is the opportunity to give both Ambassadors Ryan, Bohlen, and Deland high marks for openness and public access to the process. We still don't really know what the Government papers say, however, as an open process.

The Administration does have a problem. Their energy and climate policies are at odds with most of the rest of the world's view on how energy and climate should be held, and when you walk into negotiations where everyone knows your weak points, it does tie your hands behind your back. We hope that there will be some shifting in this situation at the June negotiating session on climate. There are opportunities both in June and in September to see a change in the U.S. position, and we would hope that that would take place.

The President and the senior cabinet members, as well as most members of Congress, don't know that the U.N. Conference on Environment and Development is taking place, or at least we don't realize that they know. Certainly parts of their agencies know, but they aren't seemingly putting this at the top of their agenda, and I think for us to make the kinds of strides that we want to make on environment and development issues, these issues have to be at the top of the agenda of the top leadership of our country.

The Administration still must come to grips with the financial issues. There's a reluctance to talk about additional financing. Most of us are willing to talk about adequate financing, but we recognize that there will probably have to be some additional financing or certainly some cuts in major areas with money shifted to new areas, and we would like to see more progress made in this area.

The Administration's position on the link between environment and development issues is still not strong enough. There was one member from the delegation—from U.S.A.I.D. on this delegation, but the development aspects—the Department of Education could have a role to play here. People who are working in development issues even within our own country could play a stronger role.

Non-governmental groups in the United States must bear the total cost of preparing and attending these meetings. It's not cheap to go to Geneva and to work with the U.S. delegation, and at this point there is no Government funding for this. There is for Congressional support—there is support for Congressional advisors, but not for non- governmental advisors.

Non-governmental groups have found it extremely difficult, as I said earlier, to get access to the Government substantive papers. Now, I understand that everyone is starting late, and so they have not been able to perhaps prepare these papers in the form that they would like for all of us to see; however, in order to avoid a lot of time-wasting debate over some issues, if we were brought in on the preparation—in an informal way, if not in a formal way— on the preparations of these papers, perhaps we could avoid a lot of the debate that might take place later on. We could get good papers right at the start that would reflect many of our perspectives. So I think that we should be working harder to get timely access, and Congress can help us with that, because you can ask to see these papers and have much easier access and can work with us on that.

I think there is opportunity for a great deal of progress in the formation of these informal groups to work on papers. I would hope to see Congress authorize and appropriate adequate funds, both for the preparation of UNCED, but also to encourage the participation of more technical Government people and non-governmental people in other countries, and there are funds that are available to which we can contribute. Congress can also conduct hearings, and I was pleased to hear Mr. Deland welcome those hearings. We do as well.

We would like to see the National Report be a stronger reflection of an agenda that the U.S. Government will want to use as it plans its future activities in the environment and development area, both here in this country as well as abroad, and so we would like to see more participation and emphasis on the quality of the National Report and on the use of the National Report by Government agencies as they plan their future activities.

Finally, I would like to say that we would, again, like to see a great deal more activity and movement in the negotiations of the parallel meetings that are going on, particularly on climate. This is creating, I think, a problem that the U.S. Government does not need to have as it tries to work on other agenda items that are actually quite good. So if it can solve its climate problems quickly, I think we can see enormous strides made, both here in this country and in our cooperative activities with people in other countries.

Thank you very much.

[The prepared statement of Ms. Spivy-Weber follows:]

National Audubon Society

NATIONAL CAPITAL OFFICE 801 PENNSYLVANIA AVENUE, S.E. WASHINGTON, D.C. 20003 (202) 547-9009

STATEMENT BEFORE
U.S. House of Representatives
Committee on Science, Space, and Technology
Subcommittee on Environment
May 7, 1991
by
Frances Spivy-Weber
Director, Audubon International Program
Chair, U.S. Citizens Network on UNCED
CAPE '92

Thank you, Mr. Chairman, for this opportunity to testify on the United Nations Conference on Environment and Development (UNCED). I am Frances Spivy-Weber, Director of Audubon's International Program, Chair of the U.S. Citizens Network on UNCED, and a partner in CAPE '92, a consortium of six environmental organizations seeking to influence U.S. leadership in UNCED.

You asked me to focus my comments on a general overview of U.S. government actions in preparation for this historical meeting. Since the first UN planning meeting in New York was in March, 1990, and the final meeting will be in Rio in June, 1992, I am calling this a mid-term review. I give the government a C+.

Encouraging signs

**After almost a year with virtually no staff, the State Department now has a technical team covering most of the critical issues.

**Three members of the delegation to the second Preparatory Committee meeting in Geneva in March, 1991, were from nongovernmental groups representing population, development, and environmental constituencies.

**The delegation leadership, Ambassadors Bohlen and Ryan, have between them extensive and appropriate experience in working on development and environment issues with developing countries. Ambassador Bohlen comes from a nongovernmental organization, and both he and Ambassador Ryan have been very open and forthcoming in meetings with citizen groups here in the United States and at the Preparatory Committee meetings.

**On issues such as oceans and toxic wastes, the administration invested significant staff time to preparing papers with substantive proposals for action; and on forest and population issues, the administration voiced strong support for conservation and family planning.

**After several false starts, the Council on Environmental Quality roundtables on the National Report will begin this month, and there have been valiant efforts made to keep the nomination and observer participation process open to the public.

In summary, Ambassadors Bohlen and Ryan and Chairman Deland get high marks for openness and public access to the process, but not for access to the substantive papers, as noted below, and there is also remarkable room for leadership on some issues.

Now for the bad news

**Administration energy and climate policies are at odds with most of the rest of the world's view of how energy should be used in the future, and the tenacity with which we defend our policy makes it difficult to bargain on other issues.

**The President has not made the UN Conference on Environment and Development a priority, even though it is a summit conference. The same can be said for most Cabinet members and their agencies, and most Members of Congress. This must be changed, and quickly.

**The administration has not come to grips with financial issues, such as debt and multilateral assistance programs, that are at the core of the development and environment debate in UNCED. This is just one of the arenas where the U.S. must work with governments that have been impoverished in part by poor public and private sector management practices of the U.S. and other developed countries.

**The administration's position on the link between development and environment issues is not nearly strong or clear enough. Environment and natural resource agencies and technical experts dominate the government's preparation for this meeting, but there needs to be more expertise brought in from USAID, the Department of Education, the Department of Treasury, and other such agencies.

**Nongovernment groups in the United States must bear the total cost of preparing and working with the administration and Congress on UNCED. This is in stark contrast to all other governments that work closely with NGOs. These governments contribute some funds to NGO participation, particularly travel costs associated with participation in preparatory committees.

**Nongovernmental groups have found is difficult to impossible to get timely access to the government's substantive papers on issues. This is true both for the CEQ roundtables and for the preparatory committees.

Areas where considerable progress can be made

**Informal groups can be created by administration and nongovernmental organizations to work more closely together on programs that will benefit people and environment domestically and internationally. These groups can grow out of the CEQ roundtable meetings that will take place around the United States over the next two months and from the networks and coalitions that are sprouting up everywhere in response to UNCED.

**Congress can authorize and appropriate adequate funds for preparation for UNCED and can include modest amounts for nongovernmental organization participation.

**Congress can conduct hearings throughout the next year in many committees focusing on development and environment issues and make practical proposals to the U.S. government to take to UNCED.

**Congress and nongovernmental groups can influence the development of the important products of UNCED and create an accompanying agenda for the U.S. The National Report should be this agenda, but CEQ has explicitly said it is not. The UNCED products include the Earth Charter of principles that will guide government and nongovernment institutions on development and environment issues; an Agenda 21 of concrete actions that the United Nations, states, and nongovernmental sectors can take to implement those principles, with special attention given to changes needed in current institutions, and financial and technology transfer mechanisms; and climate and biodiversity treaties.

Climate and Biodiversity treaties

Currently the administration is attempting to keep the negotiations on climate and biodiversity treaties completely separate from the UNCED discussions. While it is understandable that the bulk of the technical issues must be handled in these separate negotiations, there are legitimate reasons to raise the issue of how development concerns will be integrated into these environmental issues, and UNCED is a logical place for that discussion.

The negotiations on climate are off to a slow start, but there are two more meetings planned for June and September of this year, and there is an opportunity to make up for lost time. There must, however, be a dramatic change in the U.S. willingness to start immediately on a plan to reduce greenhouse gas emissions and to commit to raising its share of the funds necessary to. revolutionize energy use worldwide.

Report on UNCED Preparatory Committee II

Enclosed is a copy a the report I prepared upon my return from the UNCED Prepcom II in Geneva, March/April, 1991

Thank you again for this opportunity to testify, and I look forward to working with you during the next year as you exercise leadership here and with your parliamentary colleagues on the world's most pressing environment and development problems.

DRAFT Report on
United Nations Conference on Environment and Development (UNCED)
Preparatory Committee II Meeting

Geneva
March 18-April 5, 1991
Fran Spivy-Weber, Audubon
April 10, 1991

Summary:

The 2d Preparatory Committee meeting of the United Nations Conference on Environment and Development endorsed a commitment to create a clear, inspiring vision of the future around which world citizens should rally, but it left the details for later elaboration. Chair of the meeting, Tommy Koh, said to nongovernmental organizations that "substantive ideas and concrete proposals were needed from the people. We need your practical, **but not necessarily conventional**, proposals.

Here's what happened:

1. Non-governmental groups were accredited, whether or not they had consultative status with the UN. This took four days, but it also required some risk-taking by governments that view hoards of new faces in an old club as a threat.

2. Working Group III was formed to discuss institutional, financial and legal matters and the Earth Charter. This, too, took time and the Working Group did not get authority to make decisions until the 3d PrepCom in August. The Group of 77 (loose coalition of developing countries, currently chaired by Ghana) argued that poor, understaffed countries did not get information about working Group III in sufficient time to be as prepared as developed countries. Nevertheless, "views were shared" for several days and both developing and developed countries made serious proposals. This Working Group will be a high priority for those who want to see implementation of actions proposed elsewhere.

3. The UNCED Secretariat's vision of an Earth Charter and an Agenda 21 as the centerpiece to satellite actions on issues held firm. Countries, and nongovernmental groups for that matter, are just beginning to realize that they are expected to fill in the substance of

the Charter and Agenda. How well they perform will best be measured September 5,1991, at the close of the 3d PrepCom.

4. Reports prepared by the UNCED Secretariat on cross-cutting issues were approved, which amounted to approval for the Secretariat to continue providing its advice to delegates on these matters. Since the Secretariat is drawing heavily from a cross section of UN agencies, nongovernmental organizations, as well as from individuals within governments, NGOs with concrete recommendations or solid background data will have a place to put their information.

5. After three weeks of often frustrating arguments over words rather than ideas, the meeting ended in a good mood. Cynics will say that this is because people were happy to be going home, but it was more than this.

Financing: At the outset developing countries demanded a commitment from developed countries to provide "new and additional" resources before they would discuss issues. At the end of the meeting, developed countries, the U.S. included, appeared prepared to work over the next few months to develop financial and technical resource information. Sites for this work will probably be forthcoming meetings of the OECD environmental committee in Paris later this month, and the OECD ministers in June, as well as the G-7 annual get-together of heads of state in London mid-July.

While the public debate was classically North-South, the hallway discussions were not. Consider: Is it better to create a budget before or after needs are identified? The U.S. was arguing the latter; the G-77, the former. If developed countries put money into a fund from which developing countries can draw with relatively few strings attached, will this benefit citizens or involve those who are concerned about environment and development?

Forests: In the first few days, there was a great deal of mistrust by most developing country governments about U.S. and other developed countries' interest in forests. U.S. government insistence on a binding convention by June, 1992, fueled the fear that developing countries would be railroaded into something they would regret. By the end of the meeting the focus had begun to shift to what is needed to conserve temperate, tropical, and high latitude forests wherever they are. Timetables and the "shape of the document" were left in limbo.

Experts and politicians: The delegations were mostly a combination of environment ministries and foreign affairs types from home capitals and the U.N. in New York. The "New York crowd" came in for their share of criticism for rerunning rhetorical debates heard too frequently in that part of the UN; the U.S., however, fed the fire in the first days by reacting to every word calculated to give it heartburn. In the midst of this, however, there were expert level discussions from both developed and developing countries. A great deal of work had been done by the U.S. on ocean and waste management issues, and there was genuine interest in addressing forest issues both at home and worldwide. The next meeting, all agreed, would have to produce more products, which means working informally in smaller groups, having more flexible instructions, and addressing the level of concreteness to be achieved.

Working Groups I, II, and III and Plenary: Most of the work was done in large assembly settings with no more than two of the four meeting at any one time. Working Group I had many issues that were being addressed in other arenas--climate, biodiversity, biotechnology--and time was spent discussing the appropriate role for UNCED. Many developing countries expressed concern that the climate treaty, in particular, is too dominated by developed countries. The U.S. and others were equally adamant that UNCED did not have the expertise to address climate. The compromise was that the Secretary General of UNCED would "investigate futher the interconnections between climate" and the UNCED issues, reporting back to PrepCom III, where "related proposals for discussion" might be prepared. Since the 2d meeting on the climate treaty in Geneva in June will not have taken place before this Secretary General paper must be given to the translators, it is predictable that the 3rd Prepcom will reflect more the political temperature of developing countries after Nairobi, than thoughtful responses to a formal document.

Forests became Working Group I's major substantive focus. Since forests are not being addressed wholly in either the climate or biodiversity treaty meetings and are a "hot" topic in many other settings--TFAP, ITTO, domestically in the U.S., Canada, the Nordic countries, Chile, and the USSR--UNCED is likely to continue to be the principle place for bringing together the various discussions.

Working Group II had too many issues on which substantive actions could be taken--oceans, wastes, freshwater--and it seemed to have the most number of experts present to discuss the issues. Also, when the conference decided to meet only three of its alloted four weeks and when it added Working Group III time was cut mostly from Working Group II. These factors made participants in Working Group II the most frustrated at the end of the meeting about their progress.

Once it was made clear that no report on decisions from Working Group III would be made until the end of the next Prepcom, surprisingly interesting presentations were made.

The Plenary was reserved for cross-cutting issues, but at the end no decisions were taken on these issues with the expection of a proposal by Canada, Australia, and New Zealand (CANZ) to enhance the lot of indigenous people. Population, women, poverty, development, and technology transfer were among the issues most frequently cited in speeches.

NGO Organizing: At last count 179 NGOs were accredited to the meeting, and the number is expected to grow. Statements by NGOs were made during the proceedings, and many more draft position papers were developed. A complete list of these will be available by the end of April. The apolitical International Facilitating Committee provided logistical support and organized daily briefings with Secretariat and country delegates. The environment and development NGOs also formed a separate *ad hoc* strategy group that met at least daily, and will continue to meet throughout the preparatory periods. There were four newsletters, *Crosscurrents*, published under the auspices of the Conference of NGOs in Consultative Status with ECOSOC (CONGO)

NGOs were accepted and on occasion spiced the meeting with undiplomatic admonitions, such as youth's finger pointing at the Nordics for cutting their forests, the Canadians for their treatment of the Cree at James Bay, and the U.S. for its energy policy. NGOs, like governments, have their work cut out for them to develop ideas that will make a difference, rather than rhetoric that plays to the crowd.

The UNCED Experiments: the United Nations Conference on Environment and Development is a rich soup of experiments in decision-making. The Conference itself seeks not to focus but to bring in EVERYTHING. The Secretariat is preparing its papers through informal, interdisciplinary Working Parties of technically-skilled individuals from often adversarial U.N., nongovernment and government agencies. The goals of an Earth Charter and an Agenda 21, not to mention several treaties, are grand enough even without the details of what they may contain to entice heads of state to pencil in Brazil, June, 1992, on their travel calendars. The leadership has a vision, but is not controlling the details. Each of these pieces of the

UNCED process--its broadbased, interdisciplinary character, vision at the top with authority to translate the vision in many ways throughout the implementing organizations and societies, reliance on technical talent wherever it is without regard to formal lines of authority--are among the ingredients being advertised today for good management of progressive businesses. Will it work for us, as managers of our planet? Why not?

What's next?

The "Road to Brazil," remains a maze of side meetings in addition to the elaborate, formal United Nations PrepCom process. The dates for PrepCom III in Geneva are August 12-September 4, 1991.

With so many activities, players, and issues involved in and around UNCED, it would be foolish to predict the quality of the outcome; but it would also be foolish to ignore the potential, particularly for those who view change from the *status quo* as necessary for both environment and development in the future. And once you get over thinking that there is somewhere you can go to find out exactly what is going on and what this all means, it is actually exciting to realize you can be part of history in the making.

National Audubon Society

National Capital Office 801 Pennsylvania Avenue, S.E. Washington, D.C. 20003 (202) 547-9009

May 20, 1991

The Honorable James Scheuer, Chair
Subcommittee on the Environment
Committee on Science, Space and Technology
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman,

It was a pleasure to have the opportunity to testify on the United Nations Conference on Environment and Development (UNCED) before your subcommittee May 7. Your hearing brought forth many comments and proposals that should trigger interest in the conference.

We would like to submit for the record the attached documents on behalf of CAPE '92:

(1) A paper outlining a consensus position on the points that should be included in a climate change convention, and the steps that industrialized countries, such as the US, should take to curb emissions of greenhouse gases. This paper has been endorsed by the members of the Climate Action Network, including five of the six groups that form CAPE '92. The sixth group, the National Wildlife Federation, although not a member of the Climate Action Network, also endorses the positions put forth in this paper. The steps called for in the paper go beyond those presented in Mr. Nitze's testimony, in particular with regard to the need for commitment to reduce CO2 emissions on the part of industrialized countries.

(2) A paper on forests outlining the principles that the six groups of CAPE '92 believe should be imbedded in any agreement reached on forests. The paper, also gives specific examples of action that the US could take on this issue. As President Bush urged the G-7 nations to commit themselves to the pursuit of a forest conservation agrement, we believe the US should provide leadership by example on this issue.

We take this opportunity to submit further information regarding questions you asked of the witnesses.

First, Mr. Chairman, you inquired about the most important thing that Congress could do on biodiversity. Since it does not seem likely that a convention on the preservation of biodiversity will be ready by June 1992, we recommend that the most effective steps that Congress could take would be to secure a US commitment to seriously address climate change by pursuing a national energy policy that seeks to curb CO2 emissions. This would give the climate change treaty negotiations a boost and would trigger progress on the preservation of forests, and therefore of biodiversity, especially in developing countries.

In the US, Congress could call for the establishment of a national interdisciplinary commission on biodiversity and terrestrial and aquatic ecosystems to define ways in which endangered species and ecosystems can be protected in the US and to set up pilot projects in cooperation other countries. We refer you here to the paper on forests, which includes such examples of US leadership.

We would further point out that one area of potential action serving both the US and the international community is that of research on the value of natural resources, and on the integration of "externalities", or costs that are borne by people who are not parties to the transaction that imposes them, into the prices of goods and services in the economy. Research in this direction is being carried out at the Environmental Protection Agency, over which your committee has jurisdiction. EPA will soon complete a study of the Chesapeake Bay area using revised economic valuation of resources. This study, however, represents only a drop in the ocean of research needed in this field. Further research, for instance on the value of forests beyond that of timber (this includes value of ecosystem and social services provided by forests, such as watershed protection, soil conservation, climate moderation and improvement of air quality, preservation of biodiversity, recreation) is very much needed, and has been called for in the context of negotiations on forests by the UNCED preparatory committee.

Not mentioned in your discussion of monitoring and compliance in a forest conservation agreement was the importance of involving local people and non-governmental organizations in the definition and implementation of conservation programs. Such public participation would enhance monitoring and compliance as well as public accountability. Information from satellite technology should be made available to local decision-makers.

Finally, Mr. Chairman, as a member of Globe and of the Inter-Parliamentary Union (IPU), you may wish to look into the possibility of an observer seat for Globe or IPU at the next Preparatory Committee meetings and at the Rio Conference itself. This observer status could be complemented by the presence of members of Congress on the US delegation itself.

Sincerely,

Fran Spivy-Weber
Director, International Programs
Audubon

STATEMENT ON UNCED/FORESTS
TO BE INCLUDED WITH THE TESTIMONY OF
Frances Spivy-Weber
Director, Audubon International Program
Before U.S. House of Representatives
Committee on Science, Space and Technology
Subcommittee on Environment
May 7, 1991

At the 1990 Economic Summit meeting in Houston the industrialized "G-7" nations committed themselves to the pursuit of a global forest agreement or convention to stem the destruction of forests worldwide. Whether it is achieved through a free-standing convention or through other means, a concerted, international cooperative effort to protect forest resources is needed to assure a rational program of forest management designed to secure environmental integrity and to realize, where appropriate, continued economic productivity for people.

Discussion of what to do and who should do it will take place largely during the preparatory committee meetings leading up to the United Nations Conference on Environment and Development (UNCED), to be held in Brazil 1-12 June, 1992. The UNCED products include the Earth Charter of principles that will guide government and nongovernment institutions on development and environment issues; an Agenda 21 of concrete actions that the United Nations, states, and nongovernmental sectors can take to implement those principles, with attention given to changes needed in current institutions, and financial and technology transfer mechanisms; and climate and biodiversity treaties. The following is a first draft of a proposed forest conservation position for the U.S. government to take to UNCED.

EARTH CHARTER PRINCIPLES

A. Preservation of primary forests: Halting the destruction or conversion of native or mature natural forests, whether these are high latitude, temperate, or tropical, should be the objective of any international agreement on forests. Native forests should be a priority focus due to their worldwide decline, their importance to forest and indigenous people, their role in preserving biodiversity and their importance in climate stabilization.

B. Involvement of indigenous and nongovernmental organizations: In many regions, forests are home of millions of forest peoples. Millions more live near forests and depend on them for their daily needs, including their use for sustenance, recreational and spiritual purposes. Citizens whose well-being is linked to forest resources must be involved in decisions affecting the use and management of the forest resources upon which they depend, as should citizens who seek long term conservation of forests as basic to an environmentally sensible approach to the future.

C. Recognition of the role of forests in preserving biodiversity: Forests are the most diverse natural systems on the planet. More than 90 percent of the world's land-dwelling plants and animals inhabit forests. Reducing deforestation rates and establishing protected areas are the two measures most likely to curb the accelerated loss of biodiversity.

D. Recognition of the Ecosystem Services and Social Benefits provided by forests: Intact forests provide many ecological services, such as reducing soil erosion, protecting watersheds and coastal ecosystems, and sequestering carbon dioxide. Forests remove and store carbon from the atmosphere as they grow and achieve greater biomass. Mature forests which have reached maximum biomass are important carbon reservoirs. When such forests are burned or cleared, a large amount of this carbon is released into the atmosphere. Given the the wide array of services forests provide-- watersheds, soil protection, climate moderation, and a variety of economic and recreational resources-- any agreement should be cross-sectoral and not be limited to forestry. Any agreement related to global climate change must consider forests and their carbon storage capacity.

AGENDA 21

A. Preservation of primary forests: Industrialized countries should phase out deforestation of all primary forests by the year 2000. Industrialized countries with 15% or less of primary forest left should halt deforestation of primary forest by 1995 at the latest. Developing countries with assistance of UN agencies, developed countries, indigenous, local and international nongovernmental organizations should phase out deforestation of primary forests as rapidly as possible and should complete the process of establishing aggressive targets for this goal no later than a year after signing an agreement.

Strategies designed to meet these goals must consider causes of deforestation, including skewed land distribution, landlessness among the poor, inappropriate development and land uses. Improperly planned or managed industrial logging operations, large-scale export agriculture schemes, certain government subsidies and trade provisions all can lead to deforestation, in developing and industrialized countries alike. Human population pressures also contribute to deforestation when combined with policies having unplanned or unforeseen consequences for a nation's forest resources.

> U.S. leadership: The U.S., which as less than 15 percent of its primary forest intact (excluding Alaska, the U.S. has less than 5 percent intact), should halt deforestation of primary forests immediately.

B. Recognition of the role of forests in preserving biodiversity: UN agencies in collaboration with government, indigenous and nongovernmental organizations are formulating strategies in the biodiversity treaty to protect important forest habitats rich in plant and animal species. Nations states and their regional and local jurisdictions and indigenous and nongovernmental organizations should collaborate on plans to reduce forest fragmentation by addressing land ownership questions, ensuring that relatively large areas remain essentially unchanged, identifying and conserving varying forest types, and maintaining corridors between fragmented regions. Restorations of native forests will play an important role in this planning process too.

> U.S. leadership: The U.S. should establish a national interdisciplinary commission on biodiversity and forest ecosystems (or terrestrial and aquatic) with a cross-sectorial agenda to preserve biodiversity and maintain the ecological components of forest ecosystems. The commission would address economic, social and ecological issues linked to the preserving of biodiversity and forest ecosystems, and would use an approach that is participatory and community based. The commission would conduct research, gather information on forest ecosystem conservation and management techniques, promote community participation, and provide monitoring and project accountability.

C. Recognition of the Ecosystem Services and Social Benefits provided by forests: The United Nations, nation states, and nongovernmental organizations must complete negotiations of the climate treaty and assure that forests are managed as carbon reserves to reduce net carbon dioxide emissions from biotic sources and to help reduce the amount of carbon dioxide introduced into the atmosphere by human activity. Special attention should be given to maintaining mature forests and restoring native forests.

U.S. leadership: The U.S. should recognize energy and climate issues as an international priority and play a leadership role in setting aggressive targets in energy conservation and reducing emissions greenhouse gases as part of a climate treaty. The U.S. should halt the deforestation of primary forests recognizing their importance as carbon reserves.

INSTITUTION, FUNDING AND TECHNOLOGY:

Meeting these principles and agenda will require adequate funding, able institution and appropriate technology.

INSTITUTION

International institutions in collaboration with government, indigenous and nongovernmental organizations should supply technical advice and training, facilitate and encourage locally driven strategies for forest conservation, and monitor globally the timber trade and forest management practices. To safeguard against problems which past international mechanisms have run into, a forest agreement should include: provision for participation of local citizen organizations and indigenous groups in project strategy development and implementation; the use of cross-sectoral expertise when negotiating agreements and preparing national forest conservation plans; and controls and mechanisms to ensure public accountability of the project management, public authorities and private companies involved in the use of public forest resources. Independent review committees or procedures that follow rules of transparency and access to information should be incorporated into project planning and implementation at the international, national and local level to ensure accountability.

U.S. leadership: Informal groups can be created by administration and nongovernmental organizations to work together on programs that will benefit people and the environment domestically and internationally.

FUNDING

Assistance must be available so all countries can participate in the negotiation of agreements. Industrialized nations in collaboration with UN agencies and independent sectors should be prepared to commit funds to assist developing nations in carrying out initial forest inventory, assessment, and planning work. Developing countries forced to make a major shift from timber to non-timber industries and those with the potential to develop new forest lands should be eligible for assistance or financial incentives.

U.S. leadership: Congress should authorize and appropriate adequate funds for preparation for UNCED and other environment and development agreements and should include modest amounts for nongovernmental organization participation.

TECHNOLOGY

UN agencies and governments working with indigenous and nongovernmental organizations should develop new strategies for both developing and industrialized countries to promote the transition to non-destructive forest management and establish reforestation and afforestation goals to reduce pressure on existing forest lands, with particular emphasis on reducing forest fragmentation and restoring native forests.

These institutions and organizations should set up networks for technology transfers to spread information north-south, south-south, and south-north. This includes training for ecosystem management, sustainable agriculture and development and habitat conservation and rehabilitation.

UN agencies in collaboration with government, indigenous and nongovernmental organizations should collect data on how forest management practices are being executed. Data should include: surveys to determine forest classification and extent, and to assess deforestation; assessments of forest composition and of native plant and animal species; and procedures for reporting and developing inventory of forest uses, including harvesting, uses made by indigenous and forest-dwelling people, and ancillary uses of the forest. These fundamental data collection efforts should be in a form compatible with related programs on the regional, national, or international level, so that comparisons and assessments can be done on both a global and local scale.

> U.S. leadership: The U.S. can play a leadership role in data collection and contributing technology for the improved protection and management of forests and for better information to enable local, national and international decision makers to monitor and comply with any forest agreement.

CLIMATE ACTION NETWORK

STATEMENT BY ENVIRONMENTAL NON-GOVERNMENTAL ORGANIZATIONS PRESENT AT THE INTERGOVERNMENTAL NEGOTIATIONS ON A CLIMATE CHANGE CONVENTION

The following statement reflects the broad consensus of the Climate Action Network, representing more than 25 environmental non-governmental organizations from over 40 countries. In light of the conclusion of the Intergovernmental Panel on Climate Change (IPCC) that immediate global CO_2 emissions reductions of more than 60% would be required to stabilize atmospheric concentrations of this gas at current levels, this statement identifies the minimum elements that should be contained in a climate change convention.

Industrialized countries bear the main responsibility for the high concentration of greenhouse gases in the atmosphere. To reduce the chances of potentially catastrophic climate change and to enhance the ecological security of the planet, prompt and decisive action must be taken now. To be effective, a climate change convention should include the following specific commitments:

GOALS

The Convention should set the objective of stabilizing atmospheric concentrations of greenhouse gases at levels low enough to limit future damage to human communities, agriculture, ecological systems, biological diversity, and coastal communities. Based on the best available scientific information, the peak atmospheric concentration of carbon dioxide, the most important anthropogenic greenhouse gas, should not be allowed to exceed approximately 400 parts per million. The peak level for all greenhouse gases, including carbon dioxide, on a carbon dioxide equivalent basis, should not be allowed to exceed approximately 475 parts per million.

These levels for peak atmospheric concentrations are based on the scientific and technical investigations of the Intergovernmental Panel on Climate Change and the Stockholm Environment Institute. These levels could limit the long term temperature increase to about one to two degrees celsius from pre-industrial levels and could hold the maximum rate of temperature increase to 0.1 degree celsius per decade. In addition, potential sea-level rise could be limited to 20-50 centimeters above current levels, and maximum rate of rise of between two to five centimeters per decade. Even if temperature change and sea-level rise can be held to these levels, there may be serious ecological damage.

SUBSTANTIVE ELEMENTS

The following elements to be included within a convention are essential to establishing a process that will reach the goals described above.

1) Industrialized Countries Reduce CO_2 Emissions

Industrialized countries, with 25% of the world's population, are responsible for 75% of current global emissions of CO_2 from the energy sector. This fact and the dominant role of this source makes reductions in CO_2 emissions from the energy sector in industrialized countries the most important action needed to combat global warming. OECD nations should have a binding obligation to reduce energy-related CO_2 emissions by at least 20% below 1988 levels by the year 2000. Other industrialized nations should achieve this target by the year 2005. Deeper cuts in CO_2 emissions by industrialized countries will be required after these dates.

2) Developing countries slow emissions growth

Developing countries, with 75% of the world's population are responsible for 25% of global CO_2 emissions from the energy sector. These emissions are expected to grow to meet legitimate development needs. In order to remain within the global CO_2 target specified under the "Goals" section above, developing countries would have to limit their aggregate CO_2 emissions so that they increase by no more than 50% over 1988 levels by 2005. The incremental costs of achieving this target should be borne by the industrialized countries.

The development path and norms of the industrialized world have been extended to developing countries through a package of international and national initiatives, policies and financial assistance. As a result, many of these countries have fallen into a cycle of debt and dependence from which they are unable to emerge. This plight, and the wide variations among developing countries, compel a new set of initiatives guided by new principles to enable the developing world to control its CO_2 emissions while realizing aspirations for a better quality of life for its people.

3) Biomass

Biomass cultivation and use can be both a major source and sink of CO_2. While establishing policies to address biomass, we must not destroy the natural carbon sinks in forests, oceans, and elsewhere. Industrialized countries should end deforestation and the destruction of all primary forests by 2000. Countries with less than 15% of original primary forest should halt deforestation of primary forests by 1995. In addition, a net increase in forest cover through national reforestation and afforestation goals should be sought by 1995.

Developing countries should phase out deforestation of primary forests as rapidly as possible, in most cases by 2000. Countries forced to make a large shift from timber to non-timber based industries should be eligible for additional financial incentives. Conservation strategies designed to meet this goal must recognize the many forces contributing to deforestation such as agriculture, population pressure, trade barriers and government subsidies which encourage the clearing of forests. These strategies should promote the transition to non-destructive models of forest use and establish reforestation and afforestation goals to regenerate degraded lands. Any mechanisms linking forests to their carbon sink potential must include safeguards to protect biodiversity, cultural diversity and other ecosystem services.

4) Methane

Methane provisions should require countries to virtually eliminate emissions from natural gas transmission lines, coal seams, and landfills while "best practices" (e.g. conversion of agricultural and animal waste to biogas) should apply in the agricultural sector.

5) Funding Mechanisms

A climate change fund, comprised of new and additional resources, must be established by industrialized countries to enable states to meet the aforementioned commitments. Priority for these funds should be given to the most cost-effective options for reducing greenhouse gas emissions. In the longer term, technology-exchange mechanisms and market incentives, possibly including emissions trading, will need to be developed. Mechanisms for provision of technical assistance are also essential.

This funding mechanism must ensure public participation. Government agencies, NGOs, and citizens groups all have an essential role to play in determining how these funds are used. Safeguards should be established to prevent the export of outmoded technologies.

6) Greenhouse Gas Plans

Each country should be required to prepare a report on projected greenhouse gas emissions and a plan identifying policy options for their control. Such plans should incorporate least cost planning, urban planning and the elimination of subsidies to greenhouse gas-emitting activities. Countries should begin to prepare such plans before a convention enters into force. Interim funding should be made available to countries which require such assistance for preparation of such plans.

7) Institutional Structure

An effective institutional structure, including the establishment of an adequate Secretariat to ensure data collection, enforcement, assessment, monitoring and reporting, together with an equitable decision-making process, is essential. In addition, as with funding mechanisms, the development objectives of all sectors of society must be incorporated into institutional structures by means of complete public participation.

A process must be established to set long term goals and scenarios in order to define future greenhouse gas budgets consistent with the global atmospheric concentration limits discussed above, and to apply such budgets at the national level.

ORGANIZATIONAL ISSUES

1) Working Groups

Four working groups should be established: energy, forests, technology transfer/financial assistance and institutional issues. Close coordination between working groups on forest and energy and on financial/technology assistance will be essential. The Energy Working Group should consider not only control measures for CO_2 and methane, but also promotion of renewable energy. A Technology Transfer/Financial Assistance Group should consider requirements for adaptation. The Institutional Working Group should identify both institutional requirements of a convention and desirable links to other relevant international institutions and agreements.

2) Rules of Procedure

The Rules of Procedure should provide for broad access to the negotiations by NGOs, including working groups, and the right of NGOs to speak and to present papers.

Mr. SCHEUER. Thank you.

We've heard an expression from Ms. Spivy-Weber of some frustration that they haven't had access to papers and they haven't been able to get their ideas into the stream of commerce as the National Report is being developed. Is this because there's some kind of communications block, or is this because the reports really aren't ready? The papers aren't ready for them to review?

Mr. DELAND. I can assure you, Mr. Chairman, that there is no communication block. We have met on several occasions with the NGO community to discuss the formulation of the report. The report, as I indicated, is in the process of being drafted now. The chapters are being reviewed for policy considerations by the other Federal agencies as we speak, and I would anticipate that the report will be released in draft form at the end of this month for scrutiny by this group and any others that choose to see it, and we obviously will do our best to distribute it widely. It's in our common interest—

Mr. SCHEUER. There will still be a year before the conference takes place. There will be some window of opportunity for you to—

Mr. DELAND. That's correct. There will be ample opportunity to scrutinize that report line by line.

Mr. SCHEUER. Very good.

Yes, Mr. Bohlen? Yes, Mr. Secretary?

Mr. BOHLEN. Mr. Chairman, I wonder if I could also add something to your question. I think part of the problem we face in preparing papers for these negotiating sessions in the UNCED process is the long time it takes to get interagency approval on our positions. What happened last time was that we didn't get that approval until just before we went to Geneva, so there really wasn't time to share those papers with the NGO community.

On the other hand, there has been significant NGO input in working groups organized by EPA dealing with toxic waste and water, on the part of NOAA dealing with the ocean issues, and a lot of the papers we did prepare for Geneva have been made available, particularly, as I say, on those issues like toxic waste and oceans where we've made the most progress. But I want to assure you that our intent is to get the ideas and expertise of the NGO community plugged into our decision- making process as soon as we can.

Mr. SCHEUER. I take it that these papers, that will be finished by the end of June, will be available promptly to the NGOs?

Mr. BOHLEN. Yes. Those of the National Report, yes.

Mr. SCHEUER. They'll be available promptly to the NGOs?

Mr. DELAND. They will be available promptly. They should be available in draft form by the end of this month.

Mr. SCHEUER. By the end of May?

Mr. DELAND. Right.

Mr. SCHEUER. Excellent.

Mr. DELAND. And that report, as you know, Mr. Chairman, is due in July, so there will be the month of June to scrutinize it.

Mr. SCHEUER. So that if—well, I have the feeling that if they have any ideas, it wouldn't take them a month to develop them and that you'll be hearing from them very shortly after your papers are released at the end of May.

Do I speak correctly?

Ms. **Spivy-Weber**. We certainly will comment, but let me give you an example of a more creative way, I think, to put together these reports. The U.N. secretariat that is preparing for this conference has organized what they call "working parties." These are informal groups that bring together individuals from the U.N., from the non-governmental community, and from various governments. They're not there representing their government or necessarily their non- governmental group or their U.N. agency, but they're there as experts, and they put the papers together on forests, for example, or on oceans as a group.

They anticipate bringing their various kinds of expertise to the problems that might come up or the solutions that might be most attractive to the various parties involved, and so when they come out with a paper from this working party, it represents not just the Government's perspective to which the non-governmental groups must respond, it represents a more holistic perspective at the outset. Now, that does not mean that non-governmental groups don't complain about what has come out. It's just that you get over many of the obvious problems and then can deal with perhaps the real issues.

That's a creative approach that's being used in this process and one I think the U.S. Government could learn from.

Mr. **Scheuer**. Well, very good.

Mr. **Deland**. Mr. Chairman, may I just comment on that? We anticipate doing just that through the round table process that I alluded to. The round tables, a series of six of them to be held throughout the country, will include representatives from the NGO community. For example, the first one following the Airlie House legal one, to be held in San Francisco, will be co-chaired by LaJuana Wilcher, Assistant Administrator for Water at EPA; Sylvia Earle, the Chief Scientist at NOAA; Tom Lovejoy, the Director of External Affairs at the Smithsonian; and then each of the round tables will have a vice chair from the NGO community—in this instance, Elliott Norris from the Marine Conservation and John Platt, the Director of Environmental Compliance at Allied Signal. So I think there is ample opportunity to participate in this process.

Mr. **Scheuer**. When does that San Francisco meeting take place?

Mr. **Deland**. That is scheduled for June 3 and 4.

Mr. **Scheuer**. So that will be promptly after the reports are ready in draft form at the end of May?

Mr. **Deland**. That's right, Mr. Chairman.

Mr. **Scheuer**. It seems to me that leaves a couple of months or at least a month or six weeks for the involvement of the NGO community. I think with some good faith on all sides that this is a problem that's solvable and Mr. Deland and Secretary Bohlen are preceded by their reputations for fairness and reasonableness, and I have great hopes that with a little nudging from time to time that the NGOs will be able to have their day in court and will have an impact on the reports as they are written.

Mr. Bohlen, is it reasonable to expect that the three conventions on climate, forests, and biodiversity will be ready for signing in Rio 13 months from now?

Mr. **Bohlen**. I suppose it's reasonable to expect it. Whether it will happen is a big question. On climate change, it's certainly our goal to have a framework convention negotiated in time for signature in Rio. On biodiversity, I'm less optimistic. The first negotiating session has been held, the second one is scheduled for next month, but those negotiations have really bogged down because of the injection of the whole question of biotechnology into that draft convention. So it remains to be seen. My own viewpoint is that unless they try and streamline it a bit, make it more of a framework convention and include less detail, there is minimal hope for having that signed in time. On forests, again I'm more optimistic. I think there is a good possibility that we can get at least a strong statement of principles agreed upon by June of 1992.

Mr. **Scheuer**. Well, that's encouraging.

Secretary Bohlen, you mentioned—in your laundry list of items that we have concern with, you mentioned population in passing, and, of course, population comes under your jurisdiction at the State Department. Early on when I spoke with the authorities that be a year or more going back, there was some reluctance to include population as a serious matter in the 1992 U.N. convention, because it was said that in 1994 there will be another convention on population.

I think there are a lot of people who feel that it's sort of ludicrous to hold a U.N. convention on environment without at all considering population as one of the driving forces that create population problems in the first place. It's, after all, overpopulation that leads to desertification, too intensive efforts to sustain too large a population on too fragile an ecosystem. It's the same population pressures that produced deforestation, too many people trying to find the wood for cooking and for heating. It's population pressures on food, as we had another U.N. convention discuss a year or more ago.

Is it accepted now that population concerns are there and they have a logical right to be considered as important driving elements in environmental degradation of many kinds over many parts of the earth's surface? Is it there to be considered as a major factor to be dealt with?

Mr. **Bohlen**. Mr. Chairman, I think there were many of us who thought that population should have been a major agenda item for UNCED, but the General Assembly, in its wisdom when it adopted the resolution establishing this process, did not include population on its list, largely, I gather, because of opposition from some developing countries. However, it is our understanding that population will be what we call a "cross- sectoral" issue. Although not a main topic, it will have to be discussed in the context of virtually every issue that the Preparatory Committee considers.

As you have aptly pointed out, the pressures of population and the demographics affect all the issues we're talking about. You can't talk about sustainable development without considering the growth of communities, the pressure on people in rural areas—the pressure of those people on natural resources. As an example, the collection of fuel wood.

So I think the issue must be discussed, and we, of course, in the Administration will be supporting the idea of family planning as an integral part of this process.

Mr. SCHEUER. Well, I congratulate you on that. It's encouraging that you are, and it would be very discouraging if you were not to.

I had a conversation with Earnest Stern, who you know is the Executive Director of the World Bank, about six or seven years ago, and he told me at that time that within five years every single country in sub-Saharan Africa would have a family planning program, a national family planning program, partly due to some continuing conversation—you might even call it jawboning—from World Bank regional representatives. Could you bring me current and tell me now what percentage—give or take, you know, 5 or 10 percent—a rough estimate of the percentage of countries in sub-Saharan Africa that have national family planning programs?

Mr. BOHLEN. No, I couldn't, but I'd be happy to provide that for you. But I do know that more and more countries are adopting sound programs, and as I'm sure you know, A.I.D. is the largest provider of family assistance in the world.

Mr. SCHEUER. And I congratulate you on that. I guess the Japanese are fast catching up. They have been interested in population for a long, long time, and play quite a leadership role. As a matter of fact, the Japanese parliamentarian by the name of Takashi Sato just died last week in Tokyo, and he, going back 10 or 15 years, worked with me and other members of Congress and was a tremendous leader, a very thoughtful and dynamic leader, in population concerns in the developing world. We all mourn his passing.

It's true that developing countries around the world are sensitive about population, and it's true that sometimes they would prefer to look the other way and talk about other matters. It's true that invading the privacy of the home in the dark hours of the night and trying to influence people's private, personal behavior is an antsy business, and it's loaded with anxieties and sensitivities of all kinds. But it's also true that major progress has been made in providing thoughtful, reasonable opportunities to young couples to achieve the number of children that are their family size goals, especially in Asia and especially in Latin America. It is quite true that governments have worked around the Catholic church in Latin America, and frequently the Catholic church has been passive and not in opposition. So, remarkable progress has been made all over Asia and all over Latin America.

The one part of the planet where little progress has been made or disappointing progress has been made, is Africa. And therein lies the nub of the problem, and I fear that it's not enough for the General Assembly to say, "Well, we're not going to emphasize population because there are some sensitivities in the developing world." Of course there are sensitivities in the developing world, but if we continue to defer to those sensitivities, their situation is only going to get worse and is only going to get more and more hopeless. The prospects for sub-Saharan Africa in the field of environment and food are utterly dismal as it is. And certainly one indispensible element in the program that would provide some hope of progress there is helping young couples achieve their family size goals and educating them as to what reasonable family size goals are for them and for their countries.

Will there be continuing efforts on a sensitive and understanding way to encourage countries in sub-Saharan Africa toward population programs and family planning programs that are sensitive to their cultural and tribal values and that don't impinge unnecessarily upon them?

Mr. Bohlen. Yes.

Mr. Scheuer. Do you wish to expand on that?

Mr. Bohlen. I don't control A.I.D.'s policies by any means, but I know they have assured me that that's their intent.

Mr. Scheuer. Thank you.

Let me ask you, it's my understanding that debt and access to advanced technologies are two of the main issues being raised by the LDCs—the lesser developed countries. What position is the United States taking on these two issues, debt forgiveness, debt relief, and enhancing the availability of high technology on a financial basis that the LDCs can afford?

Mr. Bohlen. The issue of debt relief has not really been on the table as such during the UNCED discussions, but, of course, we are very much aware of the need for some sort of relief. In terms of Latin America, as you know, the President has launched his Enterprise for the Americas initiative, which does provide for debt relief, does provide for debt-for-nature swaps to provide local currency that can be used in conservation programs.

On technology transfer, we have a number of agencies and interagency groups that are now looking at this issue. It's one that I think that unfortunately the United States has been on the defensive concerning, but in fact our country has a lot to offer in terms of technology transfer for the developing countries. If we work closely with private industry, I'm sure we'll find a great willingness on the part of business to make some of their technologies available at minimal cost, and I think it can also be very helpful in providing export markets over the longer run for our industries. So it is something that we are supporting and looking at very seriously.

Mr. Scheuer. Mr. Secretary, one of the major outcomes of the UNCED process is the so-called "Earth Charter." I understand the U.S. has a position that this charter should be as specific and as operational as possible. How do you think the Earth Charter will differ from the Stockholm convention, and can we expect the Earth Charter to have more of an impact on the behavior of the world's nations than did the Stockholm Convention—Stockholm Declaration?

Mr. Bohlen. That's a very good question, Mr. Chairman. So far Maurice Strong has not really let us into his inner thinking as to what he wants in an Earth Charter. He did submit a paper for the law session in Geneva, but it was fairly general. It didn't really offer us sufficient information to really come to grips with the issue. As a minimum, it must continue on from where the Stockholm Declaration left off, but whether that will be sufficient remains to be seen. I think there are a lot of issues that we need to address in that charter, but what we are concerned about is that they be specific and they not be generalities that will be very difficult to live by in the future.

Mr. **Scheuer**. Fran Spivy-Weber?

Ms. **Spivy-Weber**. I think it's unreasonable to expect that the Earth Charter will not have a lot of generalities in it, because it is going to be a statement of principles. I think it will differ from the charter of nature in that it will include the economic and spiritual or ethical elements that non-governmental groups are seeking to incorporate into more of the activities of our political as well as our local community lives.

The specific actions will be present in the agenda—the so-called "Agenda 21." This is going to be the document that will lay out the specifics that can implement the basic principles that are established in the earth charter or whatever the title is that they finally come up with. So I don't think that—we should be looking at the earth charter as an expansion and really as a more holistic document to use for planning purposes—it will set goals—and then we look at the agenda for the specifics as to how we achieve those goals or those principles. The agenda has every opportunity for being—you know, it can be as specific as we want, applied both to the U.N. as well as to Government, and there should also, I think, be a non-governmental or citizen component as to how these principles can be carried out.

Mr. **Scheuer**. I would hope, among other things, that such a document would include some urging on the question of sustainable living and sustainable development, and that's an education matter that really ought to permeate to every family, every kid, every parent—how to live in harmony with nature and how to live in harmony with development. It's quite possible, in fact. It's easy, and it's very profitable from the family point of view and from the national point of view to engage in development projects that are sustainable and that don't devour the very resource that they're creating, and I hope from the education—I hope there will be education programs at the national and the village level to inculcate developing world populations and our own population, for that matter, with concepts of sustainable development and sustainable living.

Yes?

Ms. **Spivy-Weber**. Indigenous peoples, women, youth are three major constituencies that are playing a prominent role in this conference, and that influence is being felt.

On the debt question that was referred to earlier, there was a specific mention of debt, but the ethical issues associated with the flows of capital south to north were definitely one of the major components to the debate, and I think that from the ethics perspective this is something that we're going to have to deal with in the future.

Mr. **Scheuer**. Mr. Secretary, while discussions and preparations for UNCED are going on, negotiations on a climate change convention and biological diversity are also under way on separate tracks within the U.N. system. What specific coordination is there between the negotiators for climate change and our UNCED staff—specifically, our staff and support people from specific agencies like EPA and the Department of Energy and NOAA—making explicit efforts to coordinate the work on UNCED and those other conventions?

Mr. **Bohlen**. Well, fortunately, the basic responsibilities for all of those conventions and UNCED itself fall within my jurisdiction, so I am able to coordinate that reasonably well.

I have different Deputy Assistant Secretaries or Ambassador Ryan handling each of these topics, but we do coordinate them, and we have a rather elaborate interagency process within our Government for ensuring that all agencies and departments have input into each of these. And, of course, the climate change issue has a higher visibility than biodiversity or UNCED, and that gets attention at the White House level where it is coordinated also.

So within our Government, I feel it's very well coordinated.

Internationally, it's more difficult, but that is one of the tasks that the Preparatory Committee has taken unto itself. It recognizes that it is not supposed to be involved in the negotiation of climate change or biodiversity, but it is trying to ensure that all these processes which are on separate tracks are meshed together and will hopefully culminate in a sensible, coordinated manner in June of 1992.

Mr. **Scheuer**. As to access to this process by parliamentarians, there are two groups of parliamentarians— international groups of parliamentarians—interested in the environment that I would hope would have a chance to make a contribution and be included in the process. The first is GLOBE—Global Legislators Organization for a Balanced Environment. We have 15 members in the House and Senate, including the leadership of both bodies; we have 15 members in the Japanese parliament, including former Prime Minister Takeshita; and 15 members of the European parliament, including their environment secretary.

Would there be any way that they can participate, at least also to review drafts and make suggestions on behalf of GLOBE and their constituent members in the Japanese parliament, the European parliament, and the American parliament?

Mr. **Bohlen**. We would welcome that kind of participation, Mr. Chairman. I think it's already been pointed out by Fran Spivy-Weber that what we're going through here is an enormous education process around the world creating public awareness about the issues that UNCED is dealing with. So the more people and organizations, such as the one you mentioned, that we can bring into the process, the more successful we're apt to be.

Mr. **Scheuer**. There's another group which is a new environment committee that has been established by the Inter- Parliamentary Union, a century-old organization of members of parliaments around the world. They've established a nine-man environment committee headed up by a very brilliant and distinguished British scientist. If I give you the names and the addresses of the members of GLOBE and the members of the environment group of the IPU, could you mail these folks the various papers and so forth?

Mr. **Bohlen**. I'd be happy to.

Mr. **Scheuer**. I'd be happy to do that.

Do any of the members of the panel want to make any final comment before we call this panel to an end?

[No response.]

Mr. **Scheuer**. I thank you very much.

Mr. Deland, did you wish to make a statement?

Mr. **Deland**. I might just, Mr. Chairman, briefly amplify as to the coordination role, and there's clearly coordination ongoing within the White House just as there is under the auspices of Secretary Bohlen at the Department of State. For example, on climate change, the interagency group is chaired by the President's Science Advisor, Allan Bromley, and I am the vice chairman of that group, actively involved in it and so serve as a direct link to the UNCED preparation.

Mr. **Scheuer**. Well, I welcome that comment, and I would like to request that drafts of your report be submitted to the members of GLOBE in the House and in the Senate—the Speaker, Mr. Foley, and the majority leader, Mr. Mitchell, and the other 13 members of GLOBE.

Mr. **Deland**. We'd be delighted to do so.

Mr. **Scheuer**. Thank you very much, and thank you very much for a most interesting panel. Your testimony is very much appreciated.

Mr. **Scheuer**. We'll now go to the second panel, the panel on environment issues: Dr. Byron Swift, Mr. Thomas Fox, Mr. Scott Hajost, and Mr. William Nitze.

Will the panel please take their seats? Very well. We'll have to adhere to the five-minute rule. We're running way behind, so if all of you will be kind enough, your full testimony as it's been prepared will be printed in the place in the record at which you testify. Let's go right down the panel.

Mr. Byron Swift, please take your five minutes.

Byron Swift is Executive Director of the International Union for the Conservation of Nature.

We're delighted to have you. Please proceed.

STATEMENT OF BYRON SWIFT, EXECUTIVE DIRECTOR, INTERNATIONAL UNION FOR THE CONSERVATION OF NATURE, WASHINGTON, D.C.

Mr. **Swift**. Thank you, Mr. Chairman. I'm honored to testify before you today and your committee.

My name is Byron Swift, representing IUCN - the World Conservation Union. IUCN is a membership institution comprising both governmental and non-governmental institutions dedicated to the conservation of nature and the environment around the world, with very strong U.S. involvement. We have been extensively involved in the effort to create a biodiversity convention, about which I've been asked to talk to you today, including drafting an initial text of the convention in 1989, which was subsequently passed to UNEP for further action. It should be made clear that the biodiversity convention negotiations under UNEP are separate from the UNCED preparations, though these discussions are mutually reinforcing.

The conservation of biological diversity is a pressing global problem. Scientists estimate that a significant percent of the diversity of genes, species, and ecosystems on earth will be gone within the next several decades if conservation efforts are not urgently addressed. Some estimates are that as many as 25 percent of all species will either become extinct or become doomed to extinction within the next 30 years. This is indeed a tragedy, because the world's species harbor the genetic materials needed for advances in agriculture and medicines, and their extinction signifies a loss of the natural habitats which underlie many of the life support systems of the planet.

It is worth noting that Congressional commitment to preserve biological diversity has gone back many years, and this has been one of the key factors to initiate a world-wide effort to create a biodiversity convention. Our organization, IUCN, has emphasized that a biodiversity convention should have three facets: first, it should give primary emphasis to *in situ* conservation; second, it should have an adequate funding mechanism; and third, it should have a priority-setting mechanism at a global level. We believe adequate time must be given to an effort to reach a strong convention along these lines. The process of international dialogue on these issues has, however, resulted in a significant polarization of North-South views in the negotiation process.

Developing countries see their genetic resources as goods for which developed countries must pay if they use them, and they demand access to technology and recognition of their intellectual property rights in these materials as threshold issues. Developed countries such as ours tend to have different priorities and consider access to these goods as a critical ingredient to any convention. This impasse has stalled a productive discussion of such pressing problems as the *in situ* conservation of habitats for biodiversity, appropriate methods to merge development and conservation objectives, social and economic factors which affect biodiversity, and *ex situ* methods which will preserve genetic materials for the future.

There is a perception that positions held by our country are placing significant impediments to reaching a successful conclusion of a biodiversity convention in this situation. One of these is the view that our Government will provide no additional funding for environmental initiatives such as the biodiversity convention. In contrast, many developed countries, principally European ones, have made additional funding available for environmental programs, which are additive to development assistance funds.

Second, a wide gulf separates the position of developed countries like ours and that of developing countries on issues like biotechnology and technology transfer, which may block a consensus. A consensus position must be worked out, and this may require an increased flexibility on the U.S. side. We ask for leadership on these complex issues.

It is our organization's view that while significant benefits could be achieved from a biodiversity convention, a great deal could also be done to enhance the conservation of biological diversity through existing structures and mechanisms. This is one of the most important things I have to say today and will be developed further in a biodiversity conservation strategy being developed by our organization, UNEP, and the World Resources Institute.

What can be done? First, the efforts of Congress to refocus our foreign assistance efforts to include biological diversity conservation is a laudable and effective means of doing so. The instructions given to U.S. representatives at multi-lateral institutions and direct appropriations to bilateral aid organizations have been effective.

We would also propose significantly strengthening the treaty-based efforts, including the World Heritage Convention, the Ramsar Convention, CITES, the Migratory Species Convention, and the Biosphere Reserve Network. Each of these instruments draws upon a considerable network of technical expertise to address important parts of the biodiversity picture. We frankly think such conventions deserve a great deal more support than they are getting, especially in funding mechanisms that support on-the-ground action. We have proposed, in addition to these mechanisms, a small projects fund to be implemented through IUCN as another effort to build in-country capacity and conservation action.

Thirdly, strengthening U.S. technical agencies' ongoing programs such as those of the Forest Service, Fish and Wildlife Service, National Park Service, NOAA, and EPA can address important biodiversity conservation needs, including training, research, and technical assistance. We think that strengthening all of these lines of effort is an extremely high priority to conserve this resource as the countries attempt to make headway on the biodiversity convention.

Thank you very much.

[The prepared statement of Mr. Swift follows:]

INTERNATIONAL UNION
FOR CONSERVATION OF NATURE
AND NATURAL RESOURCES

IUCN-US
1400 16th Street, N.W.
Washington, D.C. 20036
(202) 797-5454
FAX (202) 797-5461

Smithsonian Project Office
Natural History Building -EG12
Smithsonian Institution
Washington, D.C. 20560
(202) 357-4536

STATEMENT OF

BYRON SWIFT

INTERNATIONAL UNION FOR CONSERVATION OF NATURE
AND NATURAL RESOURCES (IUCN)

BEFORE THE SUBCOMMITTEE ON ENVIRONMENT

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

U.S. HOUSE OF REPRESENTATIVES

MAY 7, 1991

Mr. Chairman, members of the Committee, I am honored to testify before you today.

My name is Byron Swift, representing IUCN - The World Conservation Union. IUCN is a membership institution comprising both governmental and non-government institutions dedicated to the conservation of the environment around the world. We have been extensively involved in the effort to create a biodiversity convention, including drafting an initial text of the convention in 1989, which has subsequently been passed to UNEP for further action. While it should be made clear that the biodiversity convention negotiations are separate for the UNCED preparation they are mutually reinforcing.

The conservation of biological diversity is a pressing global problem. Scientists estimate that a significant percent of the diversity of genes, species and ecosystems on the earth -- part of the world's natural heritage -- will be gone within the next several decades if conservation efforts are not urgently addressed. Some estimates indicate that as many as 25% of all species will either become extinct or become doomed to extinction within the next thirty years. This is indeed a tragedy because the world's species harbor the genetic material needed for advances for agriculture and medicines, and their extinction signifies a loss of natural habitats which underlie many of the life support systems of the planet.

It is worth noting that the Congressional commitment to preserving biological diversity has gone back many years, and has been one of the key factors to initiate the world wide-effort to create a biodiversity convention. IUCN has emphasized that a biodiversity convention: (1) should give primary emphasis to in-situ conservation; (2) should have an adequate funding mechanism; and (3) should a priority setting mechanism at the global level.

The process of international dialogue on these issues has however resulted in a significant polarization of North-South views in the negotiating process.

Developing countries see their genetic resources as goods for which developed countries should pay for if they use them, and demand access to technology and recognition of their intellectual property rights in these materials as threshold issues. Developed countries tend to have different priorities and consider access to these goods as a critical ingredient to any Convention. This impasse has stalled a productive discussion of such pressing problems as the in-situ conservation of habitats for biodiversity, appropriate methods to merge development and conservation objectives, social and economic factors which affect biodiversity, and ex-situ methods which will genetic preserve genetic materials for the future.

Some of the positions held by our country may place significant impediments to reaching a successful conclusion of a biodiversity convention in this situation. One of these is the view that our government will provide no additional funding for environmental initiatives such as the biodiversity convention. In contrast, many developed countries, principally European ones, have made additional funding available for environmental programs, which are in addition to development assistance funds.

Second, it is perceived that the U.S. position that biotechnology cannot be a part of the treaty is overly rigid and may block consensus. While biotechnology should certainly not be the principal focus of such a treaty, some mention of it will probably have to be made, and a consensus position should be worked out. This requires some flexibility on the U.S. side.

It is our organization's view that while significant benefits could be achieved from a biodiversity convention, a great deal could also be done to enhance the conservation of biological diversity through existing structures and mechanisms. The efforts of Congress to refocus our foreign assistance efforts to include biodiversity conservation is a laudable and effective means of doing so. The instructions given to U.S. representatives at multi-lateral institutions and direct appropriations to bilateral aid organizations, have been effective ways of achieving biodiversity conservation.

We would also proposed significantly strengthening the treaty-based efforts including the World Heritage Convention, the Ramsar Convention, CITES, the Migratory Species Convention and the Biosphere Reserve network. Each of these instruments draw upon a considerable network of technical expertise to address important parts of the biodiversity picture. We frankly think such conventions deserve a great deal more support than they are getting, especially in funding mechanisms that support on-the-ground action. We have proposed in addition to these mechanisms a small projects fund, to be implemented through IUCN, as another effort to build in-country capacity and conservation action.

Thirdly, strengthening U.S. technical agencies' ongoing programs, such as those of the Forest Service, Fish and Wildlife Service, National Park Service, NOAA and EPA can address important biodiversity conservation needs, including training, research and technical assistance.

We think that strengthening all of these lines of effort is an extremely high priority to conserve this resource as the countries attempt to make headway on the biodiversity convention.

Thank you very much.

Mr. SCHEUER. All right. Now, Mr. Thomas Fox, please take your five minutes.

STATEMENT OF THOMAS H. FOX, DIRECTOR, CENTER FOR INTERNATIONAL DEVELOPMENT AND ENVIRONMENT, WORLD RESOURCES INSTITUTE, WASHINGTON, D.C.

Mr. FOX. Thank you, Mr. Chairman.

I'm Thomas Fox. I'm Director of the World Resources Institute's Center for International Development and Environment. WRI specializes in global environmental and sustainable issues, providing policy research and strategic planning assistance to governments, non-governmental organizations, international organizations, and other institutions interested and involved in natural resources management and the environment.

Since 1982 we've studied and been actively involved in international and national discussions affecting forests and land use decisions affecting forests, such things as the Tropical Forestry Action Plan, A.I.D.'s programs, and so forth. We've also been active in a large number of individual country forestry planning exercises. Finally, we currently serve on the Working Committee on Forestry for the 1992 UNCED conference, as Fran Spivy-Weber cited earlier, and we are generally conversant with the current discussions and negotiations for an international agreement or convention on forests.

In promoting the conservation and wise sustainable use of forest lands and forest resources, we are dealing with an enormously tricky issue, one well beyond the likely capacity of any international forest convention to effectively control. The causes of deforestation at its current mind-boggling rate are fundamental to the economic, political, and social fiber of our world, including population growth, the scarcity of arable land, the interaction of private sector interests with government, the international economic system, and the persistence of poverty, to name but the most fundamental of these root causes. And computing the value of forest lands is equally complicated—the source of livelihood and habitat for millions of people, the economic assets of timber and non- wood resources, the home of countless known and unknown species and life forms, the forests' hydrological value as checks to erosion and protectors of watersheds, and their role in the provision of protection against global climate change.

Because of the very complexity of these issues at local, national, and global levels, the importance of an international understanding on forests cannot be overstated, for the needs of today's and tomorrow's local communities, sovereign national interests, and global concerns are clearly not being met by today's unchecked deforestation rates. Our hope, therefore, is that the UNCED process, or at least the process that leads up to the UNCED process, will produce a statement of principles that will provide standards—a beacon—for those who make and who influence decisions affecting the future contribution of forest lands to local and global welfare. While my list of such principles is not the World Resources' final word on this subject, it may provide some illustration of our suggested priorities for an international understanding.

First, the true value and assets that forests represent to local communities, nations, and the global community must be carefully analyzed and factored into any decision affecting their conservation and use. Second, similarly, the role of local, national, and international economic and political forces must be fully integrated into decisions affecting forests and forest lands.

Third, in particular, the needs of local communities, whose very livelihood and habitat depend on the forests, must be respected in decisions affecting the forests. Fourth, the rights of countries—governments and their peoples—to manage their own natural resources must be respected. Fifth, special attention must be given to arresting the loss of remaining natural primary forests, particularly for their role in the conservation of biological diversity and in serving as a buffer against global climate change.

Sixth, targets, monitoring, and other accountability measures must be developed. Two key steps here will be to collect and analyze data and to facilitate the participation and involvement of NGOs and local community groups that represent people who depend on forest resources for their very livelihood—a form of accountability, if you like. Seventh, the obligation of the industrialized consumer nations to support and assist countries with abundant forest resources, at least those who seek to conserve and sustainably use their forests, must also be acknowledged.

Finally, the clear responsibility of those same industrialized consumer countries to conserve and sustainably use their own remaining forest lands is equally essential to any viable international agreement on forests. This last principle applies particularly to the United States, given our important endowment of forest lands and global leadership role, but also our less admirable leadership in areas like CO2 emissions and resource consumption.

The UNCED process of developing an agreement on forests is proceeding slowly, even tortuously—not surprisingly, given the complexity of the issues. More leadership is clearly required, from what I understand, and that's a difficult task in itself, given the complexities of getting official position papers released to institutions like mine— a conversation you've already had. Our Government is demonstrating sensitivity to some of the perspectives I have just offered. Indeed, from my vantage point, the Government is being attentive and solicitous, at least on an informal basis, to the views of non-governmental organizations, perhaps particularly represented by groups like the Citizens Network for UNCED.

Nonetheless, we can and must do more, particularly in setting an example ourselves, both in our own management of forest resources and in expressing our understanding of the wide range of concerns and sensitivities of those developing countries with abundant forest resources. Our Government's apparent desire to include all types of forests in the eventual international understanding, including forests within our borders, is a good step in this direction.

We can do more, and more needs to be done. The world's forests, the needs of local communities, and the health of our fragile planet can tolerate no further delay.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Fox follows:]

STATEMENT OF THOMAS H. FOX ON UNCED/FORESTS

Thank you, Mr. Chairman.

I am Thomas Fox, Director of the World Resources Institute's Center for International Development and Environment. The Institute specializes in global environmental and sustainable development issues. We provide policy research and strategic planning assistance to governments, non-governmental organizations, international organizations, and other institutions interested and involved in natural resources and the environment. Since 1982 we have studied and been actively involved in international and national discussions and plans affecting forests, and land use decisions affecting forests - in the Tropical Forestry Action Plan, the Agency for International Development's environmental planning and management programs, the World Bank's forthcoming policy on Forests, and in countries as diverse as Indonesia, Zaire, Ecuador, and Burkina Faso. We also serve on the Working Committee on Forestry for the 1992 UN Conference on Environment and Development, and therefore are conversant with the current discussions and negotiations for an international agreement or convention on forests.

In promoting the conservation and wise, sustainable use of forest lands and forest resources, we are dealing with an enormously tricky issue, one well beyond the likely capacity of any international forest convention to effectively control. The causes of deforestation at its current mind-boggling rate are fundamental to the economic, political and social fiber of our world, including population growth, the scarcity of arable land, the interaction of private sector interests with government, the international economic system, and the persistence of poverty - to name but the most fundamental of these "root causes." And computing the value of forest lands is equally complicated - the source of livelihood and habitat for millions of people, the economic assets of timber and non-wood resources, the home of countless known and unknown species and life forms, the forests' hydrological value as checks to erosion and protectors of watersheds, and their role in the provision of some protection against global climate change.

Because of the very complexity of these issues at local, national, and global levels, the importance of an international understanding on forests cannot be overstated; for the needs of today's and tomorrow's local communities, sovereign national interests, and global concerns are clearly not being met by today's unchecked deforestation rates. Our hope, therefore, is that the UNCED Conference (or, at least, the process that leads up to the UNCED Conference) will produce a statement of principles that will provide standards, a beacon, for those who make and who influence decisions affecting the future contribution of forest lands to local and global welfare. While my list of such principles is not the World Resources Institute's final word on this subject, it may provide some illustration of our suggested priorities for an international understanding:

- The true value and assets that forests represent to local communities, nations and the global community must be carefully analyzed and factored into any decision affecting their conservation and use.

- Similarly, the role of local, national and international economic and political forces must be fully integrated into decisions affecting forests and forest lands.

- In particular, the needs of local communities, whose very livelihood and habitat depend on the forests, must be respected in decisions affecting the forests.

- The rights of countries - governments and their peoples - to manage their own natural resources must be respected.

- Special attention must be given to arresting the loss of remaining natural, primary forests, particularly for their role in the conservation of biological diversity and in serving as a buffer against global climate change.

- Targets, monitoring and other accountability measures must be developed. Two key steps here will be to collect and analyze data, and to facilitate the participation and involvement of NGOs and local community groups that represent people who depend on forest resource for their very livelihood.

- The obligation of the industrialized, "consumer" countries to support and assist countries with abundant forest resources - at least those who seek to conserve and sustainably use their forests - must also be acknowledged.

- And, finally, the clear responsibility of those same industrialized, consumer countries to conserve and sustainably use their own remaining forest lands is equally essential to any viable international agreement on forests. (This last principle applies particularly to the United States, given our important endowment of forest lands and global leadership role, but also our less admirable leadership in areas like CO2 emissions and resource consumption.)

The UNCED process of developing an agreement on forests is proceeding slowly, even tortuously - not surprisingly, given the complexity of the issues. More leadership is clearly required. From what I understand (a difficult task in itself, given the complexities of getting official position papers released to institutions like mine) our government is demonstrating sensitivity to some of the perspectives I have just offered. Indeed, from my vantage point, the government is being attentive and solicitous, at least on an informal basis, to the views of non-governmental organizations, often represented by the Citizens Network for UNCED.

Nonetheless, we can and must do more, particularly in setting an example ourselves, both in our own management of forest resources, and in expressing our understanding of the wide range of concerns and sensitivities of those developing countries with abundant forest resources. Our government's apparent desire to include all types of forests in the eventual international understanding, including forests within our borders, is a good step in this direction.

We can do more - and more needs to be done. The world's forests, the needs of local communities, and the health of our fragile planet can tolerate no further delay.

Thank you.

THOMAS H. FOX

Tom Fox is Director of the Center for International Development and Environment of the World Resources Institute in Washington, D.C. (The Center was formerly the North American office of the International Institute for Environment and Development.) The Center promotes the policy and practice of sustainable development in the Third World by providing consultations, technical support, and policy advice to governments, donor agencies and non-governmental organizations (NGOs). Since May 1988, Fox has supervised this program with approximately twenty-five technical and administrative staff members.

From 1982-1988, Fox was Vice President at the Council on Foundations. He created and then directed the Council's international program which sought to increase the scope and effectiveness of grantmaking for international purposes. His responsibilities also included management and supervision of the Council's publications and communications programs, public affairs and a range of special projects.

Fox served for three and a half years as Director of the Office of Private and Voluntary Cooperation for the U.S. Agency for International Development (AID). As a member of the Career Senior Executive Service, Fox managed this office which had primary responsibility for AID's relationship with the non-profit, private and voluntary organizations working in developing countries, as well as a $40 million grant program.

From 1972 until 1978, Fox was employed by Volunteers in Technical Assistance (VITA), for most of that time as Executive Director. VITA is a private and voluntary organization which matches the skills of scientists and engineers with technical problems in developing countries.

From 1965 until 1972, Fox served as an administrator with the U.S. Peace Corps. He was overseas in Togo and Upper Volta (now Burkina Faso), where he was the first Country Director. He later served a two-year stint as Deputy Director of the Africa Regional Office in Washington.

He was a schoolteacher for four years prior to joining the staff of the Peace Corps.

Other current professional involvements include service on the Advisory Committee on Voluntary Foreign Aid, and on several Boards of Directors: InterAction, Volunteers in Technical Assistance (VITA), Fund for Private Assistance in International Development (PAID), Mukti Fund, International Development Conference, and the International Standing Conference on Philanthropy (Interphil).

Mr. SCHEUER. Thank you very much, Mr. Fox, for your fine testimony.

All right. Now we'll hear from Mr. Scott Hajost, Senior Attorney for the Environmental Defense Fund here in Washington.

Please proceed, Mr. Hajost.

STATEMENT OF SCOTT HAJOST, SENIOR ATTORNEY, ENVIRONMENTAL DEFENSE FUND, WASHINGTON, D.C.

Mr. HAJOST. Thank you, Mr. Chairman. It's indeed a pleasure to speak today on the very important issue of UNCED and oceans.

I should note that I am testifying on behalf of the Consortium for Action to Protect the Earth—CAPE 1992. It's a coalition that has been formed by Audubon, EDF, Friends of the Earth, National Wildlife Federation, Natural Resources Defense Council, and Sierra Club to make positive and constructive contributions to the UNCED process at both the international and national levels. Collectively, we represent about 7.5 million members in this process, and I would note that oceans are indeed one of the priorities for CAPE 1992.

I think, as has already been mentioned by the previous panel, protection of the oceans has been identified as one of the priority matters of concern for the 1992 conference, and indeed at the first Preparatory Committee meeting in August of 1990 in Nairobi, the secretariat was requested to produce an exhaustive report on protection of the oceans and its living resources. I'd just like to highlight the breadth and extent of this issue by identifying some of what the secretariat was asked to report on and make recommendations for actions.

It included capacity building in developing countries; notification and assistance systems for oil and other hazardous substance spills; data gathering, evaluation, and monitoring; linkages of climate and oceans, which I will turn to at a later point, and the impacts on small island states; marine pollution problems and the status of living marine resources; the effectiveness of international institutions and agreements relating to the oceans; the very important question of the application of the precautionary approach to protecting the marine environment and the promotion of clean production methods; integrated coastal zone management; and the protection of such living resources as coral reefs and mangroves.

In addition, besides the specific requests that were made to the UNCED secretariat, the Preparatory Committee meeting asked the London Dumping Convention parties to do a comprehensive report on strengthening the international regime for prevention of pollution from ocean dumping. It also asked the Intergovernmental Oceanographic Commission and the World Meteorological Organization to study the establishment of a global ocean observation system. Finally, it requested the U.N. Environment Program to evaluate proposals for the protection of the marine environment from land-based sources of marine pollution.

In this regard, I would note there is a meeting taking place this week at this time in Halifax, Nova Scotia—an intergovernmental meeting of experts in which non- governmental experts are included—to make proposals and recommendations to the next Preparatory Committee meeting in August on how to address the very important question of land- based sources of marine pollution, and we will provide a report of that meeting for the record to you for your information.

Now, to facilitate this massive amount of work, the secretariat has largely organized it into nine specific thematic sections for which, by August, they will also prepare a synthesis document listing key actions. These nine specific sections include capacity building, coastal area development, marine pollution control strategies, living marine resources, impacts on climate change, international institutions, and the London Dumping Convention, as well as the global ocean observing system and land-based sources of marine pollution.

As has been mentioned previously, like other substantive areas for the conference, the secretariat has established a working party on oceans to advise it in preparations of its reports. I am a member of such a working party on oceans, as well as one on atmosphere, and have indeed just come back from a meeting at the International Atomic Energies and Marine Laboratory of the working party on oceans, and I think we had a very productive session there in helping the secretariat put together its reports.

I would note that at the last session in March, the secretariat was not yet prepared to produce its exhaustive and comprehensive report, and indeed many delegations, setting aside the United States, did not come with experts prepared to really discuss oceans issues in substance. Thus, most of the meeting revolved around giving further guidance to the secretariat in presenting its comprehensive report. I have identified some of those in my written testimony.

I think I'll spend the remainder of my time identifying some of the key areas of action that we in CAPE 1992 believe should be the outputs of the 1992 conference, and we indeed are giving further thought to these issues. But, clearly, land-based sources of marine pollution is one of the most significant threats to the marine environment. Seventy percent of inputs to the marine environment may come from land-based sources of marine pollution, and we indeed need new global strategies. We need to find ways to do sewage treatment in developing countries and greater coordination, and our belief is that a new legal instrument that could be launched and spawned by the 1992 conference is crucial in this regard.

We think there needs to be increasing recognition of the linkages between climate change and ozone layer depletion to impacts on coastal areas from sea level rise to coral reef bleaching, and it's crucial, I think, that the conference address those linkages in a substantive fashion. And I'll put in my plug on this, on climate change: a shift in position by the United States, a more progressive position in terms of carbon dioxide reductions, would have very important spill- over benefits across the range of the issues at the conference.

There needs to be a significant improvement in collecting and evaluating data and for effective participation of developing countries in this area. There needs to be important efforts to protect living marine resources, with a particular emphasis on the protection of coral reefs, which are one of the most sensitive and diverse ecosystems while at the same time the most imperiled.

Coastal zone management—the conference should promote in all countries the concept of integrated coastal zone management and indeed should foster greater efforts by the multi-lateral development banks to ensure that their programs are meeting sound standards for protection of the coastal environment in their lending practices.

In addition, the conference should make a real contribution to initiatives designed to bring into being a widely ratified law-of-the-sea convention and one the United States may party to. A widely ratified law-of-the-sea convention is crucial to environment and development, which is the main purpose of the conference.

International institutions and agreements—there needs to be a significant enhancement of coordination and integration among the U.N. agencies involved in this subject, with wider access and participation by the NGO community.

Finally, precautionary action. UNCED should endorse the principle in application of this concept. That is, in the face of scientific uncertainty of an activity where effects may be harmful, you do not undertake that activity unless you can show that that will not be the result. As I mentioned before, the application of clean production technologies are crucial to this.

Now, let me in closing give my sense of what the prospects are for the future. Well, UNCED has gotten off to a slow start on oceans. I believe that its importance has moved up the radar screen of the secretariat, and in fact there's a belief that oceans is a very important area where it can make a contribution. There's a good collaborative relationship among the intergovernmental organizations, and it's clearly one where the U.S. deserves high marks for the efforts it has put in to date. It appears to have defined its objectives more clearly for this issue than for practically any other before us, and I commend the efforts of our Department of Commerce and EPA and the State Department for putting together a lot of good information.

At the same time, the U.S. has not yet committed itself to a new global legal instrument on land-based sources of marine pollution, while it has put some useful strategies out there, nor is it likely the U.S. sees a useful role for UNCED in fostering wide ratification of the law-of-the-sea convention. Further attention will have to be given to international institutions and indeed mobilizing resources to developing countries to deal with some of these very important coastal issues. This will be crucial for the August session if we're going to see really substantive and practical results that come out of this conference.

I thank you very much, sir.

[The prepared statement of Mr. Hajost follows:]

ENVIRONMENTAL DEFENSE FUND

1616 P Street, NW
Washington, DC 20036
(202) 387-3500

TESTIMONY OF SCOTT A. HAJOST

before the

SUBCOMMITTEE ON ENVIRONMENT
COMMITTEE ON SCIENCE, SPACE AND TECHNOLOGY

U.S. HOUSE OF REPRESENTATIVES

May 7, 1991

National Headquarters
257 Park Avenue South
New York, NY 10010
(212) 505-2100

1405 Arapahoe Avenue
Boulder, CO 80302
(303) 440-4901

5655 College Avenue
Oakland, CA 94618
(415) 658-8008

1108 East Main Street
Richmond, VA 23219
(804) 780-1297

128 East Hargett Street
Raleigh, NC 27601
(919) 821-7793

1800 Guadalupe
Austin, TX 78701
(512) 478-5161

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INTRODUCTION

Mr. Chairman, thank you for the opportunity to testify today before the House Subcommittee on Environment regarding the 1992 United Nations Conference on Environment and Development (UNCED) and related oceans issues. I am Scott A. Hajost, senior attorney and international lawyer with the Environmental Defense Fund (EDF). I am testifying today on behalf of the Consortium for Action to Protect the Earth (CAPE '92), a coalition formed by Audubon, EDF, Friends of the Earth, National Wildlife Federation, Natural Resources Defense Council and Sierra Club to make positive contributions to preparations for UNCED at the national and international levels. These six organizations comprising CAPE 92 have a combined membership of over 7,500,000 people. Oceans protection is one of the priority issues for CAPE '92 in the UNCED process.

UNCED MANDATE ON OCEANS

The forty-fourth UN General Assembly, in adopting Resolution 44/228 establishing UNCED identified:

> *protection of the oceans and all kinds of seas, including enclosed and semi-enclosed seas and coastal areas and the protection, rational use and development of their living resources,*

as one of the major concerns for the Conference and in maintaining the quality of the earth's environment and in achieving environmentally sound and sustainable development in all countries.

PREPARATORY COMMITTEE ACTIONS

The first substantive session of the UNCED Preparatory Committee, held in Nairobi in August 1990, requested the Secretary General of the Conference to prepare a comprehensive oceans report with recommended actions on a wide range of subjects, including:

- *capacity building in developing countries*
- *establishment of a notification and assistance system for oil and other hazardous substance spills*
- *strengthening data gathering, evaluation, monitoring and information exchange mechanisms*
- *linkages between oceans and climate change and biological diversity, including impacts on small islands and vulnerable coastal areas*
- *marine pollution problems and the status of living marine resources in all marine regions, including polar regions*
- *the effectiveness and possible strengthening of international agreements and institutions*
- *application of the precautionary approach and promotion of clean production methods*
- *integrated coastal zone management*
- *living marine resources, including protection of coral reefs, the status of endangered marine species and fishing activities.*

In addition, the Preparatory Committee invited the International Maritime Organization (IMO), through the 1972 London Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, to consider strengthening the international regime regulating ocean dumping; the Intergovernmental Oceanographic Commission (IOC) and the World Meteorological Organization (WMO) to study the establishment of a global ocean observation system; and the UN Environment Program (UNEP) to evaluate proposals for the protection of the marine environment from land-based sources of pollution and the 1985 Montreal Guidelines for the Protection of the Marine Environment from Land-based Sources of Marine Pollution.

In order to facilitate its work and report back to the Preparatory Committee in a more integrated fashion, the UNCED Secretariat, in consultation with the concerned intergovernmental organizations, has organized its work into nine thematic sections:

- *capacity building*
- *coastal areas development and enclosed seas*
- *marine pollution control strategies*
- *living marine resources*
- *impacts of climate change*
- *international institutions and legal instruments*
- *London Dumping Convention,*

- *global ocean observing system*
- *protection of the marine environment from land-based sources*

In addition, the UNCED Secretariat has established a Working Party on Oceans (of which I am a member), as it has for other substantive areas to advise it on the preparation of reports and action plans for the Preparatory Committee.

A complete response to the Preparatory Committee's request could not be completed in time for its second substantive session this past March in Geneva. Instead, the Secretariat provided a progress report on its efforts to date and identified issues for further examination. As such, the March Preparatory Committee did not engage in significant substantive debate on key outputs from UNCED in the oceans arena. In fact, relatively few delegations other than U.S., included oceans experts prepared to discuss oceans issues in depth. Instead, the Preparatory Committee's efforts were largely devoted to discussing additional guidance to the Secretariat in preparing its report. In the end, the March Preparatory Committee meeting requested that the Secretariat take into consideration a number of additional elements in preparing its comprehensive report for the third Preparatory Committee meeting next August. Specifically, it requested that the UNCED Secretary General also address:

- *the relationship between trade and the protection of living marine resources*

- the linkages between poverty and coastal protection

- ship generated waste and enclosed and semi-enclosed seas

- costs and modalities for technology transfer and funding for developing countries in protection and management of marine and coastal areas

- impacts on and response options for sea-level rise with respect to small island states and low-lying coastal areas

- the interconnection between climate and oceans, cooperating fully with the Intergovernmental Panel on Climate Change and the Intergovernmental Negotiating Committee on a Convention on Climate Change.

It is expected that the next Preparatory Committee meeting this August will begin to define the key oceans action items to result from the 1992 Conference. An intergovernmental meeting of experts on land-based sources of marine pollution is currently taking place in Halifax, Nova Scotia this week. A report and recommended actions will be adopted and forwarded for consideration by the August Preparatory Committee. A copy of that document will be submitted for the hearing record.

RECOMMENDATIONS FOR UNCED ACTIONS

The following are priority areas for action by UNCED on oceans on which CAPE '92 is focused:

- Land-based sources of marine pollution. One of the greatest threats to the marine environment and the least regulated and addressed internationally, is land-based sources of pollution. UNCED should catalyze new global strategies to address this problem through the mobilization of additional assistance to developing countries such as for adequate sewage treatment, and through development of and more effective implementation of and better coordination among regional agreements. To this end, UNCED should promote development of a new global legal instrument on land-based sources of marine pollution. A key element in addressing this problem must be a commitment to waste reduction and the introduction of clean technologies.

- Climate change and stratospheric ozone depletion. UNCED must recognize and address the important relationship between the oceans and global climate change and ozone layer depletion. These include the possible linkages between coral reef bleaching and climate change and the impacts of sea-level rise on low lying island and coastal areas. (Attached is a paper the Environmental Defense Fund prepared with the Global Coral Reef Alliance on coral bleaching for the Second World Climate Conference Ministerial Meeting.) To this end, sound energy policies reducing reliance on fossil fuels and promoting use of renewable sources will not only result in reduction of threats to the marine environment from oil spills, but also reduce CO2 emissions contributing to climate change.

- Monitoring and data collection. UNCED should support efforts to enhance monitoring of the health of the oceans, increased data collection and exchange, and further research on and monitoring of the oceans/atmospheric interphase, such as under the proposed Global

Ocean Observing System. Effective participation of developing countries in this effort will require additional assistance.

- Marine Living Resources. A major emphasis should be placed on protection of coral reefs as the ocean's most diverse ecosystems and some of the most imperilled. In addition, UNCED should focus attention on the need to preserve marine wilderness and habitats of marine species. UNCED should also contribute to improved fisheries management both in zones of national jurisdiction and in the high seas, including development and transfer of technologies reducing the incidental catch of endangered and unusual species. UNCED should call for an indefinite extension of the moratorium on commercial whaling and for the development of a comprehensive plan for the protection of all cetaceans.

- Coastal Zone Management. UNCED should promote an integrated approach to coastal zone management, including management of water sheds feeding into coastal areas, and the use of economic incentives contributing to coastal conservation. In addition, UNCED should foster development of effective standards by multilateral development banks for assessing and financing development projects affecting the coastal environment.

- Law of the Sea. A widely ratified UN Convention on the Law of the Sea is of significant importance to the sustainable development and protection of the marine environment. UNCED should lend support to initiatives to this end.

- International Institutions and Agreements. UNCED should urge the wider ratification and effective implementation of international agreements related to protection of the marine environment. In parallel, with that effort, UNCED should identify more effective mechanisms that would contribute to increased global coordination of international agreements and institutions concerned with marine protection, development and science. Effective public participation and access to information is essential.

- Polar Seas. UNCED should support the designation of Antarctica as a world wilderness, including a permanent ban on Antarctic mineral resource activities as well as development of international Arctic environmental protection mechanisms.

- Precautionary Action. UNCED should strongly endorse further development and application of the precautionary approach at the national, regional and global levels, e.g., if there is scientific uncertainty on the effects on the marine environment of a given activity, the activity should not be undertaken unless it can be shown that harm will not result. The implementation of precautionary action requires a much greater commitment to clean production initiatives. These must include technologies that will move towards eliminating rather than transferring pollution from one pathway to another.

Prospects for the Future

The oceans appears to be a promising area for productive action by UNCED, despite the relatively slow start to the preparations. The UNCED Secretariat seems to be devoting increasing priority to the oceans agenda and both it and the UN bodies and specialized agencies concerned with oceans issues have begun to establish a good collaborative relationship in preparation for the 1992 Conference. The U.S. deserves fairly high marks for its efforts to date on oceans, having defined its objectives for UNCED more clearly on this issue, than any other except possibly for forest conservation. It has prepared the most detailed input to the Conference of any delegation on the subject, having submitted papers on marine living resources, marine pollution, coastal zone management and on data and information requirements. At the same time, though the U.S. has proposed many useful ideas, it has yet to commit itself to development of a new global legal instrument on land-based sources of marine pollution as it has for forests. Nor is it likely that the U.S. would prefer to see UNCED address the UN Convention on the Law of the Sea. Further attention will also have to be paid to coordination of international institutions and mobilizing resources for assistance to developing countries. It will also be crucial for the U.S. to work with other governments well in advance of the August Preparatory Committee Meeting in order that there be real progress in defining key actions for UNCED beyond requesting further reports.

In addition to CAPE, there are several other organizations (including the Center for Marine Conservation) and coalitions with expertise on many of these agenda items, and we urge the Committees to hear from them too.

CORAL BLEACHING:
IMPLICATIONS FOR GLOBAL CLIMATE CHANGE CONVENTION NEGOTIATIONS

PREPARED FOR THE SECOND WORLD CLIMATE CONFERENCE
29 OCTOBER - 7 NOVEMBER, 1990
GENEVA, SWITZERLAND

Thomas J. Goreau
Global Coral Reef Alliance

Rodney M. Fujita
Environmental Defense Fund

Scott A. Hajost
Environmental Defense Fund

Coral reefs appear to be the first ecosystem seriously damaged by rising temperatures. Elevated ocean surface temperatures have provoked mass bleaching of corals in the 1980s at sites around the world. Bleaching is caused by loss of the internal symbiotic algae on which corals rely for most of their nutrition and ability to deposit the skeleton which forms the coral reef structure on which all other reef organisms are dependent. Bleached corals do not grow or reproduce. Before the 1980s, bleaching was a rare and local phenomenon. In the past decade, it has become more frequent, widespread and severe. Record high temperatures in 1990, together with cummulative effects of bleaching-induced starvation in three of the past four years, are now causing widespread death of Caribbean corals. Assuming that the greenhouse effect will cause a further rise in tropical ocean temperatures worldwide in the future, coral bleaching bears important implications for global climate change convention negotiations.

Tropical reef countries could become the first victims of global climate change. Tourism, fisheries, and coastal protection from hurricanes may be severely affected in coming years unless global action is taken to halt temperature rise, and unless local policies are implemented to control over-fishing and destructive harvesting practices, reforest coastal watersheds, and treat sewage and other pollution discharges near coral reefs. The ability of reef shorelines to keep up with rising sea level could be lost. It is critical that coral reef countries recognize that climate change is no longer just a potential problem to be resolved by other countries, and instead insist that global negotiations quickly result in effective mechanisms to stabilize greenhouse gas concentrations in the atmosphere to avoid further risk to reefs. This requires far stronger measures than merely stabilizing emissions.

Concentrations of radiatively active gases should be stabilized as soon as possible, because of the uncertain magnitude of unrealized warming due to the current greenhouse gas excess, which takes decades to be fully expressed. A further rise in temperature could risk the most complex, species-rich, and productive ecosystems in the oceans.

Efforts to stabilize carbon dioxide concentrations concentraions should extend beyond supply measures like emissions controls; simultaneous efforts must be made to balance the amounts of carbon entering the atmosphere against that being removed. Coupling source controls (emissions reductions, efficiency improvements, alternative energy sources) to massive reforestation, and halting the destruction of ecosystems which are highly productive and rich in carbon and species, particularly rain forests, will be essential to balance carbon dioxide. However, reforestation will not work unless the underlying causes of poverty are resolved. Without sustainable development everywhere, and particularly in developing countries, dealing with the global climate change problem will be impossible. Jobs must be provided in tropical countries through planting and nurturing of trees and utilization of their renewable products. These programs must be coupled to massive expansion of efforts in tropical research institutions to develop new crops which recycle atmospheric carbon dioxide while they produce economically valuable biological products, including food, fuel, fibres and chemical raw materials. Long term environmental monitoring and research on tropical ecosystem productivity will also be needed.

The Second World Climate Conference provides an important opportunity for the international community to recognize the link of coral bleaching to global climate change, it's threat to tropical countries, and its implications for the global climate change convention negotiations.

The 1992 UN Conference on Environment and Development provides a crucial opportunity to address this problem and to adopt a convention which halts climate change, promotes sustainable development, and saves coral reef ecosystems, the species and people who depend on them. If resulting agreements fail to stabilize atmospheric composition and fail to improve significantly living standards of those who depend on coral reefs, rain forests, and other tropical habitats for their livelihood, coral reefs may soon be lost world-wide. Like the Antarctic ozone hole, coral bleaching is an unanticipated phenomenon which indicates that the effects of global climate change may already be with us, are more severe than predicted, and that action cannot be further delayed.

Mr. SCHEUER. Thank you very much, Mr. Hajost.

Now we'll hear from Mr. William Nitze, President of the Alliance to Save Energy. We're delighted to have you here again.

STATEMENT OF WILLIAM NITZE, PRESIDENT, ALLIANCE TO SAVE ENERGY, WASHINGTON, D.C.

Mr. NITZE. Thank you very much, Mr. Chairman.

It's a great pleasure to testify before this subcommittee on the climate change issue in the context of the upcoming 1992 UNCED conference, and specifically to testify about climate change from the perspective of an organization that is promoting energy efficiency and conservation.

I cannot think of another area where the concept of sustainable development is more relevant than in the area of energy policy to address climate change. There is simply no way that the major countries of the developing world or of eastern Europe can attain anywhere close to the level of energy services that we enjoy in this country or that people enjoy in other OECD countries by the same route which we took to achieve that level of energy services. There is not the capital available, and perhaps more important, there is no way that they can do it and preserve a reasonable level of environmental amenities within their own countries.

Therefore, it is essential that all of the world's countries, led, of course, by the richer nations such as the U.S., move on to a new energy path which stresses integrated resource planning, taking full advantage of energy efficiency and conservation measures and the development of non- greenhouse gas-emitting energy technologies and their deployment in all sectors of the economy.

Now, in discussing climate change in an UNCED context more specifically, I'd like first to take the conference agenda itself and then turn to the parallel negotiating process under the Intergovernmental Negotiating Committee for a framework convention on climate change.

With respect to the conference agenda itself, I feel strongly that we need to move beyond generalities to developing and implementing specific projects which can, in a sense, serve as a laboratory to see how we actually integrate development assistance, technology transfers, local strategies, involvement of government at all levels and of non-governmental organizations. We need now to begin to actually experiment with specific ways in which to move from our current path of development, if you will, to a new and more sustainable one.

A fair amount of work along those lines is already being done by our own Agency for International Development, by other bilateral development assistance agencies, by the World Bank through the Energy Sector Management Assistance Program and other programs, and by many non-governmental organizations. I would specifically like to mention an initiative started by A.I.D., the Global Energy Efficiency Initiative Working Group, where a group of U.S. Government agencies, non-governmental organizations, and representatives of industry are attempting to stimulate the development of energy efficiency projects by experts and government and non-governmental groups in developing countries to get those projects funded and to use them as examples or starting points for a more sustainable energy strategy.

We simply need to go much further down this line, and to do that, we need a higher level of commitment in both the Executive and Congressional branches of Government, which means, first, some additional funding, but I think more importantly a willingness to really spend time sitting down with the private sector and with representatives of other countries and hammer out in some detail projects which could then be presented to and discussed at the 1992 conference. We don't have enough time to actually implement those projects, Mr. Chairman, between now and the summer of next year, but at least if we went through an intensive process of identifying some key projects and presenting them to the conference, we'd really have something to chew on rather than the kind of general declarations that so typically emerge from U.N. meetings of this kind.

Just one more word on the nature of these projects. I think the projects have to be sectoral, and they probably can't be nation-wide in large nations, but they should be bigger than the very small projects now being pursued by A.I.D., particularly if you're dealing with a nation like China, which is not within the A.I.D. program.

Let me quickly move on to how the U.S. is handling the climate change issue in an INC or negotiating context. There, ironically, the United States has made major progress in developing its own energy strategy and in developing some new programs in the non-energy sector, such as replanting trees, which will reduce its greenhouse gas emissions—and has even made increasingly far-reaching projections about those reductions. What it has not done, however, is to translate its own internal evolution into a more far-reaching policy with respect to the convention itself, and it is crucial that the U.S. join the other OECD countries in making more far- reaching commitments in the context of the negotiations in order to get the major developing and East European countries on board.

We will, because of the nature of our political processes, because of our technology, and because of strong environmental movements and public awareness, make progress— not fast enough, but we will in the U.S. and in the other wealthy countries make progress in reducing our greenhouse gas emissions. The problem is to get the major developing and East European countries to sign on to doing the same thing in their countries, where it is much more politically difficult and where they need a great deal of help in generating the resources required. We simply are not going to be able to get those countries to make that kind of progress unless we are more forthcoming in making public commitments with respect to what we're prepared to do at home.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Nitze follows:]

The
ALLIANCE
To Save Energy

1725 K Street, N.W.
Suite 914
Washington, D.C. 20006-1401
202/857-0666
Fax: 202/331-9588

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TESTIMONY OF

WILLIAM A. NITZE

PRESIDENT OF THE ALLIANCE TO SAVE ENERGY

BEFORE THE SUBCOMMITTEE ON ENVIRONMENT

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

U.S. HOUSE OF REPRESENTATIVES

ON THE U.S. POSITION ON THE CLIMATE CHANGE ISSUE

IN THE CONTEXT OF PREPARATIONS FOR

THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

MAY 7, 1991

Testimony of
William A. Nitze
President of the Alliance to Save Energy

Before the Subcommittee on Environment
Committee on Science, Space, and Technology
U.S. House of Representatives

On the U.S. Position on the Climate Change Issue
in the Context of Preparations for
The United Nations Conference on Environment and Development

May 7, 1991

Mr. Chairman, members of the subcommittee, ladies and gentlemen:

My name is William Nitze and I am President of the Alliance to Save Energy. The Alliance is a non-profit coalition of business, government, consumer and environmental leaders dedicated to improving the efficiency of energy use. We carry out projects, conduct research, and engage in policy advocacy and public education to achieve this goal. I greatly appreciate the invitation to testify before the subcommittee on the Administration's approach to international negotiations on climate change in the context of preparations for the United Nations Conference on Environment and Development (UNCED) in 1992. This subject is directly relevant to the Alliance's ongoing efforts to promote greater energy efficiency at home and abroad and is one to which I devoted considerable time and effort as head of the environment division at the State Department between 1987 and 1990.

Introduction

The UNCED Conference to be held in Brazil next year presents the United States with an unusual opportunity to exercise leadership on the overreaching issue of our time - how to reconcile providing a better standard of living for the world's growing population with protection of our natural environment. It is increasingly apparent that neither of these goals can be achieved without the other. Failure to achieve them would not only condemn billions of people to a miserable existence, but would threaten U.S. national security by causing political instability, regional conflicts and many millions of environmental refugees. Our national interest in preventing such a failure is therefore very great even if not fully recognized by our leadership.

Reducing the risks of greenhouse warming through mitigation and adaptation strategies that are consistent with continued economic development represents the largest single piece of this agenda. The organizers of UNCED recognized the importance of the greenhouse issue by making signature of an initial agreement on climate change a primary objective of the conference. Whether or not that objective is reached, however, will be determined by the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change (INC), a mechanism established by the U.N. General Assembly separate from the UNCED Secretariat or the Preparatory Committee. Therefore I would like to discuss U.S. activities related to climate change in an UNCED context first and an INC context second.

U.S. Activities on Climate Change in an UNCED Context

The UNCED agenda will include six main topics: (1) an earth charter that builds on the principles agreed in Stockholm 20 years ago; (2) an overall agenda for sustainable development in the 21st century; (3) finalization of conventions on climate change and other subjects or at least a status report on negotiations; (4) technology transfer; (5) financial mechanisms; and (6) institutions. The decisions of the conference with respect to the first topic will of necessity be somewhat general. With respect to the other five, however, they could range from general declarations that reflect compromises among the political and economic interests of different countries to specific recommendations that lead to infrastructure development and project implementation in developing countries.

The U.S. should attempt to move the conference towards the latter outcome, particularly with respect to climate change. The best way of achieving this objective would be to design five or six climate-related projects in key developing countries that could be presented at the conference and used as case studies for the development of more generic recommendations. Each such project would combine technology transfer, development assistance, multilateral financing, private investment and creative use of existing public and private sector institutions, both inside and outside the country in question. Local communities and non-governmental organizations would be invited to participate in project development and implementation.

In the energy sector, for example, the U.S. should take the lead in developing two or three major electrification projects that integrated clean and efficient energy supply with improvements in end-use efficiency. The World Bank, other multilateral development banks and development assistance agencies such as A.I.D. have made loans and grants in a number of developing countries for increased production of electricity. Unfortunately these investments have not resulted in significant improvements in the quality of electricity supply or in the efficiency of electricity use.

A review of about 300 power projects financed by the World Bank between 1965 and 1983 reveals a steady decline in electric sector performance.[1] Despite large investments resulting in increased per capita generation and expanded access to electric power, the overall quality of service remains poor and shows no sign of improvement. Pricing of electricity below cost, inadequate maintenance of generating facilities, large line losses resulting from technical failures and electricity theft, and failure to exploit cost-effective end-use efficiency improvements have all contributed to this outcome. Utilities in a number of developing countries are caught in a downward spiral where deteriorating financial performance makes it difficult for them even to maintain their current quality of service.

India and other developing countries have tried to spend their way out of this dilemma by building more and more generating capacity to supply more and more electricity to more and more people at subsidized prices. This approach will not work for a number of reasons. First, there is simply not enough capital available to build the required capacity. At current levels of energy efficiency, increases in demand for power in developing countries will require $1.7 trillion to $4 trillion over the next two decades, or 1.5 to 4 times current investment levels.[2] Second, the local environmental consequences of rapidly growing power production in developing countries are already severe and would quickly reach unacceptable levels. Third, growth in power demand will continue to outstrip growth in supply without increased incentives for more efficient end-use, resulting in increasing waste and power rationing.

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[1] David Jhirad, "Power Sector Innovation in Developing Countries: Implementing Multifaceted Solutions," Annual Review of Energy 1990, 15:365-98, pp.371-375.

The only way out of this situation is a combination of policy reform, least-cost planning, human infrastructure development and external assistance in providing the technology and capital necessary to upgrade the physical system. Price reform is a critical precondition to the other three elements. Unless developing countries are prepared to price electricity at above its full cost, there will not be an economic rationale for making the investments required to upgrade the system or to use electricity more efficiently. Even with price reform, developing countries must provide additional incentives for increased end-use efficiency if they are to achieve the increases in energy services necessary for continued economic development. Even with price reform and integrated resource planning, developing countries will need substantial external assistance in upgrading their human and physical infrastructure to produce power more cleanly and efficiently.

All of these elements must be implemented together. Without price reform and integrated resource planning, external assistance will not be effective. Without external assistance, developing countries will not be willing or able to implement the difficult and politically painful reforms necessary to promote the more efficient use of electricity and to develop less polluting electricity sources. There are already international efforts under way to design such a package, most notably the Multiagency Working Group on Power Sector Innovation, an informal working group of representatives from the World Bank, the United Nations Department for Technical Cooperation for Development and a number of donor agencies, including A.I.D. The Energy Sector Management Assistance Program jointly managed by the World Bank and the United Nations Development Program is working on these issues, as is the Global Environmental Facility (GEF) recently established at the World Bank.

Yet none of these efforts is likely to have much impact without a substantially greater commitment of resources and engagement of the private sector. Only a fraction of the $1.5 billion GEF will be devoted to energy projects. The World Bank's Energy Department has not shown much interest in seriously promoting energy efficiency or renewables. A.I.D. has established a number of excellent energy programs, particularly in key countries,[3] but does not have the financial resources (its total 1991 budget for climate related activities is $248 million) or staff (there are only approximately 20 in-house energy specialists throughout the agency) to launch a series of major pilot projects prior to UNCED. U.S. utilities, the Electric Power Research Institute, the Gas Research Institute, the Solar Energy Research Institute, firms in the energy efficiency and renewables industries and other private organizations such as the International Institute for Energy Conservation and the Alliance to Save Energy have considerable knowledge and experience that could be drawn upon in designing and implementing such projects, but the U.S. government will have to take the lead.

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[2] M.D. Levine et. al., Energy Efficiency, Developing Nations, and Eastern Europe, A Report to the U.S. Working Group on Global Energy Efficiency, April 1991, p.3, pp.33-35.

[3] U.S. Agency for International Development, Greenhouse Gas Emissions and the Developing Countries, Strategic Options and the U.S. A.I.D. Response, A Report to Congress, July 1990, pp.7-1 to 7-6.

A.I.D. has launched a Global Energy Efficiency Initiative (GEEI) with the active collaboration of an *ad hoc* working group composed of representatives from EPA, DOE, national laboratories and non-governmental organizations (I represent the Alliance on the working group). The overall goal of the GEEI is to develop an international program for energy efficiency in the context of the "no regrets" policy on global warming announced by Secretary of State Baker on January 31, 1989. To achieve this goal, the GEEI would sponsor model country programs, institution building in developing countries, energy efficiency funding, training and information networks.[4] The GEEI working group is publishing a major report entitled *Energy Efficiency, Developing Nations, and Eastern Europe*[5] and has already collected a series of energy efficiency project proposals prepared by energy efficiency experts in different developing countries for further refinement and prioritization.

The GEEI could be the vehicle for the U.S. government to take the lead in selecting, organizing and funding a group of pilot electricity sector projects in key developing countries for presentation and discussion at UNCED. The GEEI working group, with the assistance of A.I.D., other member agencies and the private sector groups mentioned above, could develop a group of proposals for consideration by the GEF, the World Bank, UNDP, bilateral donors and other funding sources. Those projects selected for funding would then be reviewed, modified and approved by the host countries and specific implementation plans developed for presentation at UNCED. These plans would be as detailed as possible with respect to technology transfer, funding sources, institutional arrangements, and participation of local groups and non-governmental organizations. The implementation phase would not begin until after UNCED, but at least the conference would have something to work with.

To make such a process work, however, the White House and the heads of the agencies concerned must commit themselves to it and provide additional resources. There are a number of reasons why that has not yet happened. First, the Administration is only beginning to take UNCED seriously and does not yet appreciate the importance of the UNCED agenda to U.S. national security. Second, there is a reluctance to actively promote abroad policies that the Administration is not fully committed to at home. The White House's downplaying of the climate change issue and unwillingness to support strong policies to promote energy efficiency in the U.S. has already had a noticeably chilling effect on the contributions of federal agencies to the GEEI working group. Third, the Administration has not been willing to give priority to additional funding for climate related development projects in the budget process. The Alliance and other non-governmental members of the GEEI working group look forward to working with this Subcommittee and the Congress as a whole in overcoming these obstacles.

The above discussion has concentrated on energy related projects because of my current focus on energy issues. Additional U.S. resources also need to be devoted to developing similar projects in agriculture, forestry and other climate related areas. Despite the Administration's commitment to a major tree planting program in the United States and to negotiation of an international forestry agreement, it has not yet asked for additional resources for forestry projects abroad. Congress has provided limited funding to A.I.D. under section 118 of the Foreign Assistance Act and a small amount for international programs administered by the Forest Service. Much more needs to be done prior to UNCED in this area as well.

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[4] Ibid., p.7-1, 7-2.

[5] See footnote #2 above.

U.S. Activities on Climate Change in an INC Context

Just as the Administration does not seem to recognize the importance of using the 1992 UNCED conference as a catalyst to promote pilot projects in developing countries to minimize the risks of climate change, it does not perceive the U.S. interest in negotiating a climate change convention that requires parties to take further steps to reduce their greenhouse gas emissions. To date the U.S. has opposed including in the convention emissions stabilization or reduction targets that might require policy changes beyond those it has already committed to. In particular, it has refused to join the European Community, Japan and most other OECD countries in committing to stabilize its CO_2 emissions at current levels by 2000 or shortly thereafter.

There is considerable irony in the way the U.S. has handled the targets and timetables issue. The U.S. is not only proceeding more rapidly than expected to phase out production and consumption of CFCs under the Montreal Protocol, but will realize significant net reductions in CO_2 emissions from the Clean Air Act amendments and implementing the President's tree planting initiative. It is difficult to predict the exact level of CO_2 and other greenhouse gas emissions reductions from the energy efficiency and alternative energy measures now being debated in Congress, but they will certainly go beyond the limited steps contained in the Administration's National Energy Strategy proposal. On balance I expect that the U.S. will in fact see little if any growth in its CO_2 emissions over the next decade and will be able to achieve actual reductions thereafter.

The Administration's own projections of U.S. greenhouse gas emission reductions have steadily become more ambitious. On April 18, 1990, President Bush became the first chief of state to put forward a unilateral greenhouse gas emissions reduction target by predicting a 15% reduction in U.S. greenhouse gas emissions by 2000. In *America's Climate Strategy* presented in Chantilly on February 4, 1991, the Administration predicted that overall U.S. greenhouse gas emissions would be at or below 1987 levels in 2000. In his April 10, 1991, press release commending the National Academy of Sciences report on the policy implications of greenhouse warming, Energy Secretary Watkins stated that "Bush Administration policies, including measures enacted in the National Energy Strategy, are projected to maintain U.S. greenhouse gas emissions at or below current levels through the year 2030, **even accounting for growth in economic activity that results in more than doubling GNP.**" Considering that the benefit of phasing out CFCs will be largely exhausted by 2005, this projection shows how far the Administration has come.

Despite this continuing evolution in U.S. climate policy, the U.S. is perceived by the international community and the public at large as opposing effective action to address climate change for reasons of short-term economic and political self-interest and avoiding its responsibilities to the international community. This perception may not be entirely correct, but it is nonetheless damaging to the prospects for shaping an effective international strategy for addressing climate change.

The U.S. and the other OECD countries are almost certain to make considerable progress in reducing their greenhouse gas emissions. Yet these reductions will not get us very far unless the major East European and developing countries also take steps to reduce their own emissions. The latter countries are unlikely to take the politically difficult steps necessary to achieve these reductions unless the U.S. joins the other OECD countries in leading the way. Therefore it is very much in our interest to make the initial commitment required to gain the cooperation of the major non-OECD countries.

In the past I have argued that this initial commitment should take the form of a U.S. commitment to stabilize its CO_2 emissions at current levels by 2000 or shortly thereafter. Although I still believe that such a CO_2 stabilization commitment would be useful and rather easy to fulfill, there are other ways of shaping initial targets in the convention that may be more acceptable to the Administration and at least as effective. One such way would be for each party to commit to a package of specific actions accompanied by a prediction of the emissions reductions that would result from those actions. The parties would agree collectively to review the actual reductions achieved by each party after a given period of time to determine whether further steps were necessary to achieve the desired reductions. Each party's policy commitments and associated predictions would collectively have to meet a minimum standard appropriate to its income level.

This "pledge and review" mechanism using policy related "soft" targets would be consistent with the Administration's current strategy and its so-called "comprehensive approach" under which each party would choose the most cost-effective additional emissions reduction opportunities across the full menu of greenhouse gases. It would also be consistent with the concept of requiring each party to prepare its own strategy for addressing greenhouse warming and to update that policy on a periodic basis thereafter. Perhaps the best feature of such a system from a U.S. perspective would be its focus on specific policy measures rather than emissions outcomes. The one controversial element would be the minimum levels of predicted emission reductions for OECD and non-OECD countries. With some creative leadership from the U.S., initial levels should be negotiable on a comprehensive basis for non-CFC greenhouse gases.

The U.S. also has an interest in accelerating negotiations on a number of convention provisions not related to targets. These include strengthening the world's network of climate data gathering stations, ensuring open exchange of climate data, and increasing research capabilities on the science and impacts of climate change and possible policy responses. To make sufficient progress on these issues during the year remaining before UNCED, however, the U.S. will have to take a more positive approach to the INC process than it has to date.

Conclusion

The United States has a major stake in using the UNCED process as a catalyst to accelerate the steps necessary to address climate change. If China and the other major developing countries are simply permitted to industrialize along the same lines as the past, the environment will be put at unacceptable risk. We have the tools to put the world on a different path. We must start to use them now.

Mr. SCHEUER. Thank you very much, Mr. Nitze, for a very thoughtful statement. We've enjoyed all of your statements. They've been very, very helpful.

Byron Swift, Dr. Swift, it's disturbing for me to hear you say that we may not be able to achieve a biodiversity convention in time for UNCED 13 months from now. What's the most important thing that Congress could do to encourage completion of this important convention in time for its consideration by all of the developed countries in June of 1992?

Mr. SWIFT. I think to state a leadership position in the funding area, which is the domain of Congress. It's my impression—it's our organizations—that the United States is perceived as one of the major roadblocks out there on the funding issue. The Europeans are coming along, and we are not, and if you—I'm saying a hard—I'm giving you a tough challenge, but I think that's the greatest single thing that we could do. And, as I mentioned in my testimony, some effort at reaching some kind of consensus, possibly involving private industry a bit more on these biotechnology issues.

Those are very major roadblocks, and any help you can give on either of those—I would have to think a little bit more and maybe talk to the GLOBE group or do something like that on what form a Congressional statement or commitment could take in either one of those issues.

Mr. SCHEUER. Can you suggest ways in which a biodiversity convention, if we can get it passed, could be monitored for compliance?

Mr. SWIFT. Well, I don't think we do a very good job at monitoring. I don't think the funding entities that we have created in the world to dispense development aid have focused a great deal on monitoring of natural resources. We can't even measure the acres of forest out there, even though the satellite technology should exist for that.

Mr. SCHEUER. Well, satellite technology—does it enable us to monitor?

Mr. SWIFT. It could, but it's never worked, and you've got to ask more technical people than I to tell you why, but we still can't go out there and measure the amount of forests globally.

Mr. SCHEUER. It's my understanding that you can measure the amount of forests and that you can measure compliance. You can tell if a fraction of an acre which shouldn't be cut has been cut.

Mr. Nitze, did you want to intervene there?

Mr. NITZE. Thank you, Mr. Chairman. I probably shouldn't nod so vigorously, but I do agree with you, because I was fortunate a few weeks ago at Rice University to see a presentation by the leading Brazilian scientist who runs their satellite monitoring program, and pictures that he was able to take of deforestation, even down to the individual lot level, using NASA and NOAA technology were truly spectacular. There is some disagreement about the level of deforestation in Brazil and other countries, but the quality of the visual evidence obtained from satellites has improved tremendously, and to me it was just a stunning presentation. So we've made a lot of progress. We may have more to do, but we have made a lot of progress.

Mr. SCHEUER. Yes, Mr. Fox?

Mr. Fox. I'd like to chime in on this, too. I think it's clear that the technology exists to give us some sense of what is happening to forests in particular around the world. However, it's very costly, and the compilation of it all is a very complicated process. Witness current efforts at the Food and Agriculture Organization to come up with truly reliable statistics both on rates and on current forest cover.

But it is also particularly important to note that, although we might be able to tell how much of a given area of land is generally forested, we cannot tell with any reliability exactly what else is going on in that same area of land—in other words, what land use decisions have been made around that? Is it an area of land that is currently being deforested, or is there a mixture of agriculture and forests and so forth? These are terribly important questions in really preserving the long term economic benefit of forests.

Mr. Scheuer. Yes, I can see how our satellite information, and how the French spot information, could be made available to international organizations and to country-level groups concerned with the environment, as we are, in this 1992 convention. I'm just convinced that satellite imaging and the spot imaging, which is even more detailed than much of ours, would be absolutely invaluable in monitoring the extent of the problem, the order of magnitude of what has to be done, and whether there is compliance with agreed upon levels of forest culture, forest development.

I'd like to ask any of you who are familiar, it seems that the lesser developed countries, particularly those possessing extensive tropical forests, like Brazil, as one example, are resisting the idea of a binding forest convention at UNCED next spring. Might it be easier to get agreement on a non-binding convention that would inculcate good principles of forest culture, sustainable use of forest assets, and then pursue a binding convention at a later date when the process has gone on—the information process, the satellite distribution process—so that nations know what their problem is and they know that the rest of the world knows what their problem is? In other words, should we defer trying to solve everything in 13 months through a binding convention, maybe making a two-stage rocket—a non-binding convention first and then moving over the course of several years to a binding convention?

Mr. Fox?

Mr. Fox. I think that the consensus that is emerging since the last Preparatory Committee, and it was also further discussed in that Working Committee on Forestry, is very close to what you're saying—that it is a statement of principles that is most likely to be the useful contribution of the UNCED process on the question of forests. I think it's highly unlikely that a binding convention could be achieved by UNCED or even relatively soon thereafter, given the complexity of the issues, given the fundamental quality of many of the causes of deforestation today, and given the continued discrepancies, if you like, between how the north views the southern forests and how the south views those same forests.

I think also the key to that statement of principles is going to be our own willingness and that of other industrialized consumer countries to truly accept that statement of principles as governing our own behavior and practice as well.

Mr. SCHEUER. Yes, Mr. Hajost?

Mr. HAJOST. Let me just add briefly to that. Bill Nitze has already mentioned the Intergovernmental Negotiating Committee, and we've talked about the climate convention negotiating process. That is an additional dynamic for which forests themselves are directly implicated, and in fact the Climate Action Network, representing groups around the world, has made a number of proposals for how you can address forest issues safeguarding conservation and biodiversity as part of the legal aspects of a climate convention, whether it's a protocol or whether it's specific articles or annexes to that convention.

So you've got another whole negotiating process that's considering the legal and treaty provisions as it relates to forests, and indeed one of the dynamics in play is the perception by some developing countries who are being asked to do something on the forest front, saying, "All right, developed countries, you, United States, what are you going to do about your energy policy and reduction of your carbon dioxide emissions from the energy sector?" So there are certain linkages that are taking place as well.

Mr. SCHEUER. Yes, Mr. Nitze?

Mr. NITZE. Thank you, Mr. Chairman. I propose in my testimony, with respect to the energy sector and CO2 emissions and other greenhouse gas emissions, a pledge and review system whereby countries would commit to take specific policy measures and make predictions as to the outcome in terms of emissions. I think that kind of a model might be applicable to the forestry sector, where countries would pledge to follow certain principles or even go further and pledge to, for example, eliminate all subsidies for the clearing of forests for agricultural use, and then would agree to a monitoring program whereby the results of those policies would be evaluated after a number of years, and, if necessary, further measures would be taken.

Mr. SCHEUER. We've talked a lot about forestry resources. When you think of biological diversity, you almost automatically think of forestry—rain forests and other forest resources and the animal life and the other kind of vegetation that takes place there. How about the question of preservation of marine biodiversity? Do any of you have any thoughts on marine biodiversity and what actions UNCED may take to preserve marine biodiversity?

Dr. Swift?

Mr. SWIFT. I think it's paradoxic that the sterile base environments in both the marine and the land—and by that I refer to the generally sterile soils under tropical forests and the generally sterile marine environments around coral reefs—are the basis for the most luxuriant and diverse ecosystems. Blue is the color of sterile water, and green is the color of nutrient-rich water, and I believe the order of magnitude of the marine biodiversity—over half is in coral reefs, very similar to the proportion of tropical forests on earth. Thank you.

Mr. HAJOST. Thank you. I'd like to echo that comment, and as I mentioned in my oral testimony, protection of coral reefs and indeed protection of marine biodiversity is one of the crucial issues for UNCED and what new mechanisms can we put into play to ensure protection of these very, very diverse oceans ecosystems, whether it's for land-based discharges that are affecting them or potential increases in seawater that might be linked with climate change. They're a very sensitive ecosystem on which many developing island countries are very much dependent, whether it's from an eco-tourism point of view or indeed from preventing storm surges on their beaches. So it is a fundamental issue.

In fact, a number of groups are working on this issue for the conference. I might mention a group that we're cooperating with that's been stated here before. The Center for Marine Conservation has a marine biological diversity project to fit into the overall biological diversity project that's related to the 1992 conference, and our scientists right now are working on an outline for further efforts in this area. Thank you.

Mr. SCHEUER. Mr. Nitze, you're here representing the distinguished energy group. Climate change negotiations are the context in which I've heard the greatest clamor for the need to facilitate technology transfers to the LDCs. From your experience, what are the types of technology required by the developing countries to encourage and facilitate more efficient use of their energy? What kind of technology transfer are they clamoring for the loudest, in other words?

Mr. NITZE. Well, Mr. Chairman, I think as a general matter they want rising levels of energy services in the form primarily of electricity and the things that electricity brings in the terms of home conveniences, transportation, industrial processes, and also the mobility from the automobile, or at least good substitutes for the automobile. Beyond that, frankly, most developing countries don't have a very good idea as to how to get more energy services without spending too much money or needlessly polluting the environment, and it is really a combination of hard and soft technologies that need to be transferred.

In hard technologies, we have to help them exploit fossil fuels and exploit non-fossil fuels in a way that is relatively efficient and benign on the environment, and that starts, frankly, with coal mining and transportation in addition to renewable sources of energy. We need to help them build power plants that are much more efficient and release many fewer pollutants. Again, this is particularly important with respect to the combustion of coal, which will of necessity be a major source of electricity in many developing countries, particularly China and India, which have significant coal reserves.

Then, in my view, most importantly we must help them distribute and use that energy as efficiently as possible. This starts with distribution networks where line losses and theft of electricity and other inefficiencies arise down to the individual industrial facility or business or home, where energy is used appallingly inefficiently in many countries. In the Soviet Union, there are no thermostats, so people open the window in order to cool a room which is overheated from the central heating system. In India, electricity is virtually given away in villages in many Indian states in order to promote development and obviously for political reasons.

These practices have to be changed. Energy has to be priced at a level which reflects its full social cost, and then people at all levels of the economy need to do—

Mr. Scheuer. It should be priced at a level which includes its full social cost, which includes the environmental degradation that that particular type of energy is responsible for.

Mr. Nitze. Yes. That is a difficult goal for us to achieve in this country. It is even more difficult for developing countries to achieve, but we should at least move in that direction. There has been some progress. China has significantly raised the price of coal, for example. In some parts of India and in other countries, like Brazil, electricity prices have been moving up, but it needs to go much further, and in order for it to go much further poor people in particular must be taught how they can get the same level of energy services at not a significantly higher cost, which means as they pay more for each unit of energy delivered—whether it be electricity or gasoline or whatever—they must be able to get a higher level of energy services out of that unit.

This will be a very difficult exercise; it will involve institution building, training, public education, changes in public policy, as well as technology transfer in the more traditional sense, but in my view there simply is nothing more important.

Mr. Scheuer. Let me ask you about the U.S. commitment to reducing global warming via reducing greenhouse gases. It sounds as if the United States might be making headway on reducing its greenhouse gases, yet our country seems reluctant to commit itself to time tables, time tables which you should be able to achieve without any sweat. What's the story here, Bill?

Mr. Nitze. Well, there has been significant resistance in the White House to acknowledging the severity of this problem for fear that once you acknowledge the severity of it and admit that you have to make serious commitments to address it, that leads you to changes in public policy that may be politically painful and that, frankly, have been advocated by the wrong sorts of people. There's this perception in the White House that some of us who strongly support incentives for conservation, efficiency regulations, and other policy changes have a hidden agenda which is anti-growth and somehow anti-industry. That's not true, but that perception has persisted.

Hopefully, we are seeing some change. First, the Administration itself is making much more far-reaching predictions as to greenhouse gas emissions in the United States. The Secretary of Energy now predicts that they won't go up basically between now and 2030, even allowing for roughly 50 percent growth in the economy. I view that as actually a serious step forward. It's just a prediction, but it means that the Administration is seriously looking at some major reductions, at least per unit of GNP.

Secondly, I hope that the Administration is moving toward a position where they will agree to some sort of a stabilization target for non-CFC greenhouse gases, which would mean primarily carbon dioxide and methane. That is happening at a middle-ranking level within the Administration. I'm hopeful it will be endorsed at an upper level before the 1992 conference.

Mr. Scheuer. Mr. Nitze, do you have the feeling that the national Administration really doesn't want to lay any responsibilities on industry, on people in their homes, in their cars, in their offices, in their factories, to do much in the way of energy conservation, to do much in the way of encouraging the use of alternative fuels, alternative vehicles, but that a lot more leadership is coming at the State level, and the States seem to be the driving forces, especially with industry, in conserving energy and moving toward more efficient use of energy? Is that something you care to comment on?

Mr. NITZE. Yes, Mr. Chairman. I would agree with that thesis. We have seen a lot more forward movement in California, in New England, in your own State of New York, in Minnesota, in Wisconsin, in Iowa, and a number of States than we have seen in Washington. Now, to give the President his due, that's in part what he wants to see happen. I believe that the President genuinely believes that State action in these areas is desirable and that the Federal Government should play less of a role than perhaps some of us would like to see it play.

I would like to see a righting of the balance myself. I favor a strong action at the State and local level, but I also think that only the Federal Government can get the incentives right and impose certain of the standards that need to be imposed nation-wide and can take some of the other steps necessary to change public attitude.

The President has a wonderful bully pulpit. He used it brilliantly in the Gulf in building a grand coalition to liberate Kuwait. He could use the same bully pulpit to build the kind of support—which, in my view, is already growing in the American public—to lead a similar coalition to address global warming.

Mr. SCHEUER. I agree with you, and it's interesting to me that States are doing such interesting work. For example, you have the New York State Utility Board, you have the California Utility Board, both encouraging utilities—and it's happening with ConnEd, and it's happening with PG&E, Pacific Gas & Electric, and it's happening with SMUD, the Sacramento Utility District—they're all encouraging their customers, their big industrial customers, to engage in integrated resource planning, which means that they look for the cheapest form of energy to exploit, and in many cases that means saving the energy you've got and not trying to build another utility to produce energy.

So they're giving all kinds of subsidies, rebates for businesses that introduce more efficient energy use and are able to conserve. It's anomalous that utilities in effect are trying to dampen demand for their own product, but it's happening, and I think it's quite remarkable. I think it's remarkable that so much leadership is being shown at the State level, and it's quite true that I guess this is the kind of development that the President approves of, States taking responsibility for their own actions.

But when it comes to CAFE, for example, the fuel standards for automobiles, it seems to be a little bit anomalous that California would take an action and then New York would sputter along a year later and adopt that and then Texas would start thinking about it, and all of a sudden, by process of osmosis, that becomes the national standard. I'm not sure it's rational, I'm not sure it's the most cost effective way of doing things, it probably would be better if we had national leadership, but at least it's happening, and it's good that it's happening. It may not be the best way, but it's a way, and it's an interesting phenomenon.

Does anybody have any last contribution to make before we wind up this panel?

Yes, Mr. Hajost?

Mr. HAJOST. Could I just make one comment on what Congress can do? Byron talked a bit about funding issues, but it's also quite crucial in the oceans arena, particularly when we start talking about the question of land-based sources of marine pollution, what can we do on sewage treatment with much of the world not even having primary standards? Close to home we have a Caribbean environment convention, in which land- based sources of marine pollution is supposed to be a key issue, and I think it's really fundamental to find ways to support initiatives that have been suggested such as revolving funds for sewage treatment in developing countries.

We have a cholera epidemic that is occurring right now in Latin America, and we need to find some ways to get some resources to these developing countries, and this is a theme that cuts across the climate, the oceans, and the biodiversity issues, in which the U.S. has got to find ways to make some of these resources available, and there are creative mechanisms we can use to do so as well that are economically efficient, but I think that's quite important. Maybe the Clean Water Act reauthorization will provide some opportunities to look at some of the international dimensions of this issue as well. Thank you.

Mr. SCHEUER. Yes, Mr. Fox?

Mr. FOX. I'd like to build, Mr. Chairman, on your exchange with Bill Nitze about computing through social costs. The United States is viewed internationally as basically an economic machine, and to the degree that we can exert genuine leadership for the UNCED conference and the process leading up to it, our greatest contribution, in my judgment, would be learning ourselves and then expanding general knowledge about the principles of natural resources accounting, the true valuation of what's happening to the resource base, as part of our economic decision-making. Thank you.

Mr. SCHEUER. Yes, thank you, and I guess it's proper to assert here that we have passed legislation in our Congress requiring our agencies to engage in life cycle costing and the environmental cleanup costs of inefficient and wasteful development, and I think that Barber Conable, the head of the U.N., has put pressure on U.N. agencies to develop cost accounting methods that contemplate and factor into the computer the cost of remediating environmental degradation caused by U.N. projects.

I can think of several U.N. projects that were stopped dead in their tracks because the cost of remediating the environmental damage that those projects caused—and I'm talking about large dam projects and similar projects—was never contemplated as a cost in the original cost-benefit calculation but appeared thereafter, and Congressmen like myself and several other members of the House and Senate intervened and called the attention of U.N. administrators to the totally different cost-benefit calculus that is produced when you count environmental costs, and some of those projects that were the worst offenders have been stopped by the World Bank, by Barber Conable, the Chairman of the World Bank.

Yes, Mr. Nitze?

Mr. NITZE. Mr. Chairman, I just wanted to follow up on your comments on automotive fuel economy standards. The Alliance and its sister organizations have been strong supporters of the bill introduced by Senator Bryan in the last Congress and now again in this one and in companion bills introduced by Representative Sharp, and this is a major opportunity for the Congress itself to take the lead on a very important piece of energy strategy. There might have to be some negotiating with the White House on the specific level to be attained by what specific date, but it seems to me that if the Congress shows real leadership on this issue and moves this forward that the Administration will follow along.

Mr. SCHEUER. My brilliant staff director, Dr. Eileen Lee, said with some unhappiness, "You forgot to mention your bill." I guess she's talking about our gas sippers/gas guzzlers bill.

We have a bill that's achieved a fair amount of support — and I'll try and make this very brief—whereby at each level of size and weight, we provide a little gas sipper benefit for consumers who buy in that particular category, be it a light car, a medium-size car, a heavy car, we give them a little premium, a cost reduction, and for those who, in each category, pick the most fuel inefficient cars, the most fuel wasteful cars, we stuck on a little penalty—call it a licensing fee or whatever. In each category, the total result nets out to be tax neutral. The Federal Government doesn't gain or lose. But consumers who make rational decisions on energy conservation and energy efficiency gain a bit, and those who choose wasteful vehicles that do consume a great deal of oil and do pollute, they pay a fee for that, and that may be the beginning of sort of arranging market forces that will help concentrate our minds in making rational environmental decisions when we purchase big ticket items.

Is that what you wanted me to say, Dr. Lee?

Dr. LEE. Yes, it is.

Mr. SCHEUER. Okay.

Does anybody have any last questions or comments so that I don't end this session on an egocentric note?

Yes, Dr. Swift?

Mr. SWIFT. I will contribute to that maybe. I think the issue that's been brought up several times in U.S. leadership, which can be done sometimes without spending a penny, is absolutely critical in issues like forest conservation, CO2, but also in biodiversity, and I recognize your efforts in that regard.

Mr. SCHEUER. Thank you.

You know, one of the things that I'm sorry we didn't have time to treat is the ocean as a resource for food production, for protein production, for mining the sea, for farming the sea, a three-dimensional farm. We had such high hopes for mariculture—agribusiness mariculture.

The Israelis are engaging in a joint technology exchange with a number of Arab countries. It's very promising. They're doing it on a very soft sell, low key level, but they're engaging in joint development of sophisticated marine farming, three-dimensional farms, and they're genetically altering fish so that they breed much more often—three or four times a year instead of once or twice—the fat-to-meat content is much more favorable, and they're carrying on extensive operations and have been for the last decade, particularly with the Egyptians.

There are other nations involved, too, but I think the Egyptians are sort of spearheading the effort among Arab countries. It's the only kind of cooperation that Israel is engaged in with Arab countries, and I've been to their meetings in Cairo and I've been to their meetings in Tel Aviv and in Eilat, and it's just marvelous to see these scientists from Arab nations and from Israel cooperating so enthusiastically with such obvious mutual rapport, good feelings, good vibes, and great respect for each other. It's very productive and very helpful.

Yes, Mr. Hajost?

Mr. HAJOST. Thank you, Mr. Chairman. I'm sorry to take the microphone again, but since you raised that subject, I would note that that is an area for which UNCED is doing work on the oceans area as part of the development aspects of its work, and it's one that we're very sensitive and interested in our consortium as well, and how you can develop the infrastructures to make greater use of some of these marine resources, and a crucial aspect of this really is protection of the habitat. That's a crucial element, to ensure that we're doing what we need to do to protect the habitat of some of these living marine resources. Thank you.

Mr. SCHEUER. Thank you very much, all of you. It's been a marvelous panel. I appreciate your views very much. If we have any further questions, I would ask unanimous consent that we can hold the record open for 10 or 12 days to write you and get your answers.

There being no objection, so ordered.

Thank you very, very much. We appreciate your patience.

Mr. SCHEUER. We'll now get to the last panel, development issues.

Please come forward, Dr. Sharon Camp, Ms. Nancy Alexander, Mr. James Valette, and Mr. William Pace. May I thank all of you for your patience and fortitude. The sun is long since over its zenith, and I appreciate your patience.

All right. Let's hear first from Dr. Sharon Camp, Senior Vice President of the Population Crisis Committee in Washington, D.C., and a longtime friend and colleague in international population affairs.

Please take your five minutes, Dr. Camp, and know that your full testimony will be printed in its entirety at this point in the record.

STATEMENT OF SHARON L. CAMP, SENIOR VICE PRESIDENT, DIRECTOR, EDUCATION AND PUBLIC POLICY DIVISION, POPULATION CRISIS COMMITTEE, WASHINGTON, D.C.

Ms. CAMP. Thank you, Mr. Chairman. It's good to see you again. I appreciate the invitation to join this prestigious list of witnesses, and I want to thank you on the record for your more than two decades now of leadership on the international population issue. I also want to thank you for your earlier remarks on my favorite topic to Assistant Secretary of State Bohlen. As usual, you were extremely elegant, and as usual, you've stepped on all my favorite lines, so I probably won't take the five minutes allotted me.

I did in my written testimony take the liberty of making a number of general points about the impact of rapid population growth on environment and development. Let me start by answering, though, first the questions that you specifically asked me to answer in your letter of invitation, and then, as time permits, I'll come back to the beginning and talk on a broader level of generalities, because I do want to answer those two questions which concerned the prospects for the adoption of a population convention at the UNCED conference and the role that the United States Government could be expected to play or not play in the process of negotiating that.

I want to say, first of all, that we have no criticisms to make at this point of the preparations made by our Government under the direction of Assistant Secretary Bohlen for the conference. Like you, Mr. Chairman, he's a scholar and a gentleman, and he certainly understands the population issues in environment and development. Nor do I believe the problem in bringing about some kind of negotiation in Brazil on population lies primarily with the developing countries and their sensitivities about the population issue.

I might just answer the question you asked Secretary Bohlen, which he could not answer, about Africa and policy development in Africa. Over half of the African countries now have some national population or family planning policy. The largest and most important countries have strong efforts now to reduce population growth, and we are finally beginning to see some actual results in terms of fertility reduction. Indeed, in Zimbabwe, Botswana, and Kenya, where we now have the three strongest programs, birth rates are declining actually as fast as they have in any other part of the world at any point in history. So Africa is not the obstacle to population stabilization that we might have thought it was five years ago. These things are happening very quickly, it's very exciting, and there's reason to be optimistic.

Mr. SCHEUER. I might say that I had a visit from a delegation from Nigeria about a year ago. They had just seen a computerized presentation, I think by Marshall Green, a very good friend of mine, of where their population will be 20, 30, 40, 50 years from now. Their population is approximately 100 million or 105 million, nobody knows exactly what it is—

Ms. CAMP. A little over 100 million.

Mr. SCHEUER. But as they perceived their population growing to 200 million, 300 million, 400 million, 500 million over the next half a century, it caught their attention, and they were frantic. They were desperate for help, and they were walking the corridors trying to drum up support on the Hill for more help from A.I.D. That graph certainly caught their attention.

Ms. CAMP. You'll remember, Mr. Chairman, that in the early 1970s, when we were first making a real strong push on this issue, many African countries had never taken a national census. They didn't have any idea how many people they had, much less how quickly their populations were growing. They now have the ability to collect demographic data and analyze it and understand its impact on their own development goals, and I think as a result of that we have very strong commitments now within the developing countries to reduce population growth quickly.

I think where the political problem is most serious today is here inside the Washington beltway, and I'd like to come back to that point, if I may, in just a minute.

Most of us in the population community are very anxious to see some sort of convention on population included in the documents that result from UNCED. We would like to see a clear world-wide commitment to early population stabilization, hopefully at less than double the 10 billion to 15 billion people now in various projections, and a very clear commitment to universal availability of safe and effective birth control methods by the end of this decade, because that is what we need to achieve if we're going to in fact avoid another doubling of the world's population.

Mr. SCHEUER. Do you see Norplant playing a major role in stabilizing population growth, particularly for teenagers and kids in their low 20s?

Ms. CAMP. Norplant will make an important contribution to world population stabilization and reproductive choice for women. It is not a magic bullet. It is likely to be quite expensive. It is not as easy a method to deliver as other things that are now on the drawing board might turn out to be. But it is a wonderful addition, and thank goodness, after almost 25 years now, we finally have a new method of birth control on the market.

I think actually more interesting in its impact might be a product like the French early abortion pill, RU-46, both on programmatic aspects as well as on the politics of birth control around the world. But we do need a larger investment than we are now making in contraceptive development appropriate for Third World use—things that will be less expensive, easier to deliver, easier to use, generally more acceptable, fewer side effects.

But although I've been very optimistic, I think, up to this point, I do think that there are a couple of very important obstacles to achieving that kind of a commitment to universal family planning availability and increased support for contraceptive development at the UNCED conference.

One of those obstacles lies with the developing countries who clearly want to place the blame for environmental degradation around the world on the shoulders of consumption patterns in the developed countries, and I think their fear— and it may be a right one—is that if there is too much discussion at the UNCED conference about the impact of rapid population growth on the environment that somehow they will end up taking all of the blame for global environmental problems, and it won't be squarely put on the shoulders of us in the more developed countries. So while they are committed at home, as I indicated earlier, to strong population and family planning programs, I think that they are a bit nervous about too great a discussion of those issues in the context of the UNCED conference.

Perhaps the more important obstacle, though, is the perceived ambivalence in U.S. policy. While I think that the individuals who are in charge of preparations for the UNCED conference within our own Government are, as I indicated, very understanding of the population issue, committed to seeing it remain on the agenda of cross-sectoral issues, there are also still many people in our Government who would, if Congress allowed them to, abandon U.S. population assistance programs entirely. So just as it has been for the last decade, the Executive Branch remains very conflicted, very ambivalent, of at least two and maybe several minds about the whole issue and about the role of voluntary family planning around the world in development and environment issues.

Let me just remind you of the Administration's recent track record on this issue. You will remember, Mr. Chairman, that in November of 1989 the President vetoed the entire $14 billion foreign aid appropriation in order not to have to accept a $15 million contribution from the United States to the United Nations Population Fund. The last time we made that contribution in calendar year 1985, our contribution level was $36 million.

Last year the Agency for International Development, which in fact is in charge of our population assistance programs and policies, put out an official policy paper on the environment which did not mention in any part the role of population pressure on environmental degradation, and when questioned by members of Congress about this omission, they said, "Oh, we thought it was so obvious we didn't have to mention it."

More recently, within the last few weeks, the Administration has sent to Congress a 335-page legislative proposal for streamlining the whole foreign aid program, removing all of the barnacles that they've accumulated on this legislation since 1961. In that legislation, there are 51 lines which deal in any way with population or family planning, and 38 of those lines deal with restrictions on the program. All of the barnacles that anyone had ever wanted to put on the family program are in the Administration's legislative proposal for foreign aid reform.

Mr. Chairman, there is really no evidence in this legislative proposal or in anything that the Administration has done recently to indicate that the Administration as a whole is committed to global population stabilization or to universal availability of family planning, and because of that, I cannot be entirely optimistic that the United States will continue to play a positive role on the population issue in the context of the UNCED conference. And if any ambivalence does appear in the United States' position, which I think is entirely possible, then given the other obstacles, the concerns of the developing countries, I think it will be very difficult to keep population on the agenda and to negotiate a true commitment to universal availability of family planning by the end of this decade.

I hope that my fears are unfounded, and I hope that nothing is going to happen to change the direction in which we are now moving as an official U.S. delegation to the UNCED conference. But we all know from a decade of experience that once the Administration comes under pressure from people who are opposed to population assistance and opposed to birth control generally that concessions are made to those groups. I hope UNCED will not be a concession to those political pressures, and I hope that you, Mr. Chairman, and others in Congress will continue to monitor the UNCED conference to be sure—the preparations in the U.S. State Department—to be sure that they stay on track with respect to population and, as you have done for the last two decades, to hold the Executive Branch's feet to the fire on this issue.

[The prepared statement of Ms. Camp follows:]

Testimony

for

Sharon L. Camp, Ph.D.

before the

House Science, Space, and Technology Subcommittee

on Natural Resources, Agricultural Research

and Environment

May 7, 1991

Chairman Scheuer, Committee members, thank you for the invitation to testify today on population issues as they relate to preparations for the United Nations Conference on Environment and Development.

I am Sharon Camp, Senior Vice-President of the Population Crisis Committee. PCC is a privately-funded policy research and education organization committed to early world population stabilization through voluntary family planning.

The UNCED Conference in 1992 presents the world's peoples with a unique opportunity. By means of the proposed "Earth Charter" and "Agenda 21" the countries of the North, South, East and West could strike a new global bargain based on a true sense of common destiny and shared responsibility for the planet and for each other.

But any new global bargain to preserve the earth and the life it sustains must begin with an understanding that widespread poverty, the mounting pressures of human numbers, and the degradation of natural resources are three problems so closely intertwined that one of them cannot be solved without progress on the others.

In many parts of the world, mounting population pressure on arable land, fuelwood supplies, fresh water and other renewable natural resources have, with current levels of technology and investment, caused rapid deterioration in local ecological systems, further impoverishing the poor families who depend on the renewability of natural resources for their own survival.

In many areas, the productivity of arable land has seriously declined as a result of overuse. In just 20 years the world will need to feed a population 40 percent larger on perhaps 20 percent less arable land.

U.N. expert Paul Harrison estimates that close to 65 percent of recent tropical deforestation can also be related to population growth, largely through its impact on the demand for additional farm land for food production. Even in the Amazon region, where misguided government policies are responsible for much deforestation, population pressures and poverty have driven millions of landless settlers from Brazil, Peru, Bolivia and Venezuela into virgin rain forests, where most practice small scale but unsustainable forms of slash and burn agriculture.

Population growth also drives up demand for fuel, and for 2 billion people in the developing world this still means demand for firewood. In parts of Africa fuelwood consumption is four times or more the rate of tree regrowth. Some African women now spend as much as half their waking hours collecting scarcer and scarcer supplies of firewood, fodder and fresh water.

Air and water pollution threaten the health of increasing numbers of people in the developing world, especially in the sprawling shantytowns of cities which are often doubling in size in less than twenty years.

I have taken the liberty, Mr. Chairman, of appending to my testimony a more detailed examination of the impact of population growth in developing countries on international environmental problems. I would be happy to have it included in the record, if the committee so wishes.

At this point I would merely add that in addition to the population pressures in the world's poor countries, we cannot ignore the environmental impact of continued population growth in the developed world, most importantly in the United States and the Soviet Union. Natural population increase in the United States adds two million people to the world's population every year --not a great deal compared to India or China, which add over 18 and 15 million respectively. But because the average American puts much greater demands on the world's natural resources, U.S. population growth makes a significant contribution to U.S. and global environmental problems.

In summary, Mr. Chairman, it is becoming clear in this last decade of the 20th century that human populations are, with current technology and patterns of consumption, already threatening the earth's ability to support certain life forms, perhaps including our own. As former Chairman of the Council on Environmental Quality Russell Peterson told last winter's meeting of U.S. Governors:

> "The quality of all life on earth is increasingly threatened by a powerful and growing ecological force. We humans are that force, ever more of us using ever more materials, assaulting the environment with ever more machines, chemicals, weapons and waste."

I do not mean to imply here that population pressure is the only force driving environmental degradation around the world. It is certainly not.

While a new global bargain must include a greater cooperative effort to stabilize world population, clearly it must also include a demonstrated commitment on the part of the industrialized countries to reduce their profligate use of natural resources and to increase support for the development and dissemination worldwide of appropriate technologies for natural resource conservation and environmentally sustainable agricultural and industrial development. All parties to the bargain must agree to share in the responsibility to reverse, worldwide, the loss of forest, the degradation of soil, the contamination of air and water and the disappearance of plant and animal species.

All of these efforts will require substantial new investments. The one which may require the smallest additional investment is population stabilization. Compared to the costs of widespread reforestation, the dissemination of new energy-efficient technologies or treatment facilities for the world's sewage, for example, the price tag for universal availability of family planning is very small. For about $5 billion a year now and about $10 billion a year by the year 2000, every couple of childbearing age could gain access to safe and effective fertility control by the end of this decade. If we could accomplish this, it would be possible to stabilize the world's population short of another doubling over about the next 60 years. If we fail to accomplish it, we will pay incalculable costs in human suffering and in environmental damage, much of it irreversible.

It is therefore the hope of most of us in the population field that the United Nations Conference on Environment and Development will include discussion of population growth as one of several cross-cutting development issues (along with the need for additional aid flows, for example.) It is also our hope that the conference will commit the world's governments to achieving early population stabilization and to making family planning universally available by the end of the decade.

What are the chances that the conferees will actually take such action? And what role can we expect the government of the United States to take in support or opposition?

For the moment there are one or two reasons to be a little hopeful. A good start has been made on discussions of population-environment links by the UNCED Secretariat in several of the conference documents presented at the recent Preparatory Committee Meeting in Geneva. Of the nearly forty documents reviewed, three give population issues a fair, balanced and thoughtful treatment in the context of cross-cutting themes. With appropriate encouragement from governments, the Secretariat may be prepared to expand coverage of population issues in documents now under preparation.

Although the original General Assembly resolution mandating the conference did not include any reference to population matters, the General Assembly has since specifically called for "a balance between population and environment capacities as would make possible sustainable development, keeping in view the links among population levels, consumption patterns, poverty and the natural resource base."

In December of 1990, the General Assembly further emphasized the importance of "addressing the relationship between demographic pressures and unsustainable consumption patterns and environmental degradation during the preparatory process of the United Nations Conference on Environment and Development. . ."

I include these somewhat tortured passages from recent United Nations resolutions in order to dismiss the argument, still voiced in some quarters, that the conference is not authorized to consider population issues. It may certainly do so if member governments wish it to.

There is of course not unanimity among governments on the matter. Indeed many developing countries, although committed to national population policies and family planning programs at home, want to be sure that the conference places the blame for global environmental problems squarely on the consumption patterns of the industrialized world. They fear that discussions of population problems could be used to shift the blame unfairly on them.

They are also concerned that the conference preparations have given too little weight to development issues and to the need for debt relief, technology transfer, additional aid, and so forth, if developing countries are to be expected to address environmental problems. A strong outcome on population is thus unlikely unless developed countries press for it and unless they respond appropriately to the concerns of developing countries.

What then is the position of the United States government on the inclusion of population and development issues in the conference?

For the moment it would appear generally helpful with respect to both population and development issues, although I would suggest that this situation could easily change. Those individuals who have been responsible for representing our government at the Preparatory Committee Meetings, and those at the Council on Environmental Quality who will prepare the national paper, are well informed about population concerns. Among the three nongovernmental organization representatives added to the U.S. delegation for the Second Preparatory Committee Meeting was one from the population community. Population organizations have been included in regular briefings on the conference by the cognizant State Department officials. U.S. environmental and development organizations are also generally supportive of population's inclusion in the conference agenda.

However, there is reason to be concerned, given the continuing ambivalence within some parts of the administration about population issues, that this supportive atmosphere might not hold. Although there are many individuals within the administration who appreciate the urgent need for population stabilization, there are also some who would abolish the U.S. population assistance program entirely if Congress would allow them to do so.

The administration's recent track record on population issues has been most disappointing.

Each of the President's budget requests for population assistance has been substantially lower than the prior year congressional appropriation. In November of 1989, the President vetoed the entire $14 billion appropriation for foreign assistance rather than accept a congressional earmarking of $15 million for the United Nations Population Fund. (The United States contributed $36 million to the fund in 1985, but has contributed nothing since.)

Last year the Agency for International Development issued an official policy paper on international environmental problems, which did not once mention population growth as a factor in environmental degradation.

Within the last several weeks the administration has transmitted to Congress a 335-page legislative proposal designed to overhaul and streamline U.S. foreign assistance programs. The bill devotes just 51 lines to population and family planning, of which 38 deal with various restrictions on the program, most of them related to abortion.

There is absolutely no evidence in this legislative proposal or elsewhere to suggest that the current political leadership of the Agency for International Development has any real commitment to early world population stabilization as an urgent environmental issue. If this silence on the issue does not represent specific administration policy, then it is probably fair to say that there is no policy.

For these reasons it seems unlikely to me that the United States government will in the end play a forceful role in placing a population convention or a goal of universal access to family planning on the agenda of the United Nations Conference on Environment and Development. Given the other obstacles which stand in the way of such an outcome, any perceived ambivalence on the part of the powerful United States government will likely derail the current very tentative efforts to make population an important conference issue. And that will indeed be tragic.

Mr. Chairman, I hope my fears prove unfounded. But after a decade of battles to keep U.S. population assistance programs intact -- some of them lost -- many of us in the population community have become mistrustful of our government's staying power in the face of organized opposition to family planning. Although I cannot fault what I know of U.S. participation in the conference preparations to date with respect to population issues, I urge you and your congressional colleagues to continue to monitor the process closely and be prepared -- as you have done so many times in the past -- to shore up a flagging U.S. commitment.

Thank you again, Mr. Chairman, for the invitation to testify and for your many years of courageous and determined support for world population efforts.

SHARON L. CAMP, Ph.D

Senior Vice President
Director, Education and Public Policy Division
Population Crisis Committee

Sharon Camp is an honors graduate of Pomona College and received M.A. and Ph.D degrees in comparative and international politics from Johns Hopkins University. In 1970 she was awarded an AAUW Doctoral Fellowship, one of five recipients.

Since 1971, Dr. Camp has worked in Washington, DC, and various state capitals as a public-interest advocate on such issues as domestic food assistance programs and Native American rights. She joined PCC in 1975 and serves as Senior Vice President for Public Policy. Her responsibilities include direction of the publications program, policy research, legislative analysis, liaison with other public interest and voluntary groups, and general administration.

She has served as Chairman of the board of directors of Family Health International, Chairman of the board of the International Center for Research on Women, and on the governing board of the National Council for International Health. She has also served on numerous other boards and committees dealing with the role of women in development programs, including most recently the AAUW International Fellowship Committee. She is the author of numerous publications and position papers. In addition to her professional interests, she was an elected member of the Maryland Democratic Central Committee for eight years and is a founding member of the American Council for Young Political Leaders.

* * *

Mr. **Scheuer**. Thanks very much, Dr. Camp.

Ms. Nancy Alexander, Legislative Secretary of the Friends Committee on National Legislation.

Please take your five minutes.

STATEMENT OF NANCY C. ALEXANDER, LEGISLATIVE SECRETARY, FRIENDS COMMITTEE ON NATIONAL LEGISLATION, WASHINGTON, D.C.

Ms. **Alexander**. Thank you very much, and thank you for your initiative in holding this hearing.

I'm testifying today on behalf of the Friends Committee on National Legislation, an advocacy organization of the religious Society of Friends, or Quakers. FCNL serves on the executive committee of the Citizens Network on the 1992 U.N. conference. It's our conviction that if developing concerns of the south continue to take a back seat to the environmental concerns of the north, the 1992 conference will fail or fall far short of its excellent potential. We feel that a principal challenge of the next August preparatory meeting is to build an agenda which integrates the cross-cutting development-related issues in a meaningful way.

Time doesn't permit elaboration of the ways in which issues of debt, poverty, and appropriate technology are interrelated, but suffice it to say that debt servicing saps the ability of developing countries to ensuring future productivity through either investment in human resources, investment in technology, imports of any kind. Poverty, meanwhile, brakes productivity and the capacity to develop or manage technology, while at the same time it leads to environmentally unsustainable practices. Environmental degradation in turn increases poverty and requires better technology, and the lack of appropriate technology results in environmental degradation, and so the vicious cycle goes.

We hope that northern countries, the U.S. in particular, will acknowledge the financial responsibilities that accompany its disproportionate appropriation and consumption of southern resources and degradation of the environment. The developed countries, with less than 25 percent of the world's population, consume 75 percent of world energy resources, 79 percent of all commercial fuels, and 85 percent of all wood production.

At the same time, we should note that during much of the 1980s there was a negative flow of financial resources from the north to the south, so I'd like to underscore what witnesses such as Fran Spivy-Weber have said before me, that the whole question of additional financing and more creative financing mechanisms has to be grappled with.

Let me now turn to some of our recommendations in the areas of poverty, debt, and technology transfer. With respect to poverty, we encourage the more effective use of aid. Specifically, we recommend that the poverty effort principle constitute a major criterion for allocating U.S. aid. This principle establishes as a major criterion for aid allocation the extent to which recipient countries are demonstrating a commitment to reducing poverty in an environmentally sensible way. The 101st Congress established this principle as U.S. policy governing U.S. participation in the multi-lateral development banks, and we think it's time that this principle be applied to U.S. bilateral aid as well.

One of the crucial things that a recipient country can do to demonstrate its commitment to poverty alleviation is to nurture democratic processes. The Administration's foreign aid authorization bill that Sharon Camp just referred to emphasizes that aid should go to democracies. We emphasize the need to aid countries that are democratic in more than the electoral and formal sense of that term. Instead, we should go further and support countries possessing adequate standards of human rights such that citizens are allowed access to democratic participation in decision-making. For such participation to be meaningful, citizens must be permitted access to development plans which affect their lives, to information about hazardous waste deposits which could affect their family or community and national health, to information about substances emitted to air and water, and so on.

The ECE has issued a document on environmental rights and obligations which addresses the valid relationship between human rights and the environment. The Administration, from all I've heard, is not approving this document, and we encourage this committee to work with the Administration and help shape it and approve it.

Second, we recommend that the U.S. offer significant debt reductions to developing countries. The political rationale for extension of debt reductions to, for instance, Egypt and Poland, should be no more compelling than the crises faced by many developing countries which have been suffering losses due to oil price hikes during the Gulf War, slackened demand due to recessionary problems, and so on. We recommend that steps be taken with respect to private and public debt.

My testimony goes into the specifics with respect to expanding the Brady plan. With respect to public debt, we're specifically asking that the U.S. approve of the Trinidad terms of relief of public official debt owed to the U.S. Government at the London Summit in July. Debt for the severely indebted low-income countries, to whom the terms apply amounts to 121 percent of their GNP and, if fully serviced, would take 70 percent of their export earnings.

Thirdly, we encourage creative financing and mechanisms to underwrite the cost of appropriate technology for developing countries. We would appreciate this committee's views on concerns such as what steps can be taken to correct the bias toward introduction of large-scale, capital-intensive technologies and processes and the bias toward narrow patterns of control and ownership of economic processes. In particular, what can be done to ensure that equity considerations underscore the resolution of intellectual property rights claims? What steps can be taken to prevent the dumping of old, lower-cost technologies in the south? What can be done to ensure that technology transferred to the south responds to genuine development needs?

And our testimony refers to a recent Department of Commerce report which asserts that tied aid can lead to inefficient and wasteful procurement practices, sometimes with very poor development impact. It's our sense that tied aid proposals in the House and

Senate would have such effects, while diverting aid from activities to increase the productivity and incomes of the poor. We hope to work with this committee in analyzing the long term impacts on technological change of such tied aid legislation.

Let me just quickly summarize the points that I have made. We encourage, one, the committee to help shape the agenda of the next PrepCom to address debt and developing concerns; two, to apply the poverty effort principle to bilateral aid; three, to work with the Administration to approve the ECE document on environmental rights and obligations; four, to expand the Brady plan to reduce private debt; five, to endorse the Trinidad terms to relieve severely indebted low-income countries; six, to see that the U.S. is not part of dumping old technology or endorsing proposals which would impede the south's access and rights with respect to appropriate technology; and finally, to oppose tied aid legislation currently under consideration in the Congress, which would be damaging to the development prospects of less developed countries.

Thank you, Mr. Chairman.

[The prepared statement of Ms. Alexander follows:]

FCNL
FRIENDS COMMITTEE ON NATIONAL LEGISLATION
245 Second St., NE, Washington, DC 20002-5795
(202)547-6000 Office
(202)547-4343 Update Message
(202)547-6019 FAX

Relating U.S. Policies on Poverty, Debt, and the Process of Technological Change to the 1992 UN Conference on Environment and Development

Testimony
to the
House Science, Space and Technology Subcommittee on the Environment

by
Nancy C. Alexander
Friends Committee on National Legislation

May 7, 1991

I am testifying today on behalf of the Friends Committee on National Legislation, an advocacy organization of the Society of Friends, or Quakers. FCNL helped to facilitate a process that led to the founding of the U.S. Citizens' Network on the 1992 UNCED which is organizing non-governmental organizations (NGOs) in the United States to take an active and creative role in influencing the U.S. role in the 1992 UN Conference on Environment and Development (UNCED) -- as well as in influencing the UNCED directly. FCNL is serving on the Executive Committee of the Citizens Network.

The interest of the Friends Committee on National Legislation in this conference is primarily in seeing that issues relating to poverty and development are dealt with on a par with environmental issues. It is our conviction that if development concerns of the South take a back seat to the environment concerns of the North, the 1992 Conference will fall far short of its potential.

The focus of the 1992 UN Conference is on building cooperation between the countries of the North, which are, on the whole, rich and industrialized, and the countries of the South, which are, on the whole, poor and unindustrialized. The less developed countries of the South are critical to the successful resolution of major issues that may be negotiated at the conference -- issues relating to climate, forests, biological diversity, and technology transfer. But the willingness of poor countries to undertake global accords on environmental issues will depend on the extent to which wealthy nations offer them an equitable place in the global economy. In the planning sessions for the conference, southern countries have been demanding that northern countries provide financial aid, in return for which southern countries would apply environmentally sound technologies. The fact that the U.S. has so far refused to promise additional aid to less developed countries

Olive Wilson Clerk, General Committee
Joe Volk Executive Secretary
David M. Boynton Associate Secretary for Administration
Mark Hulbert Clerk, Executive Committee
Ruth Flower Legislative Secretary
Edward F. Snyder Executive Secretary Emeritus
Nancy C. Alexander Legislative Secretary
Alison D. Oldham Legislative Action Coordinator

has resulted in conflicts. The expressed willingness of the U.S. to talk in terms of arranging for the provision of adequate and appropriate resources is acceptable as a first step. And we welcome the fact that the U.S. is actually engaging in the dialogue. The challenge is to recognize that in our search for sustainable development, the present allocation of resources is unacceptable. Sources of new funding and creative mechanisms for funding must be identified.

The majority of this testimony describes a few steps that this Committee or the Congress might take to nudge the UNCED process in a useful direction. However, as hard as it is to generalize, I first wish to set the context by identifying some perceptual and ideological barriers between North and South in the UNCED process.

For instance, in the arduous negotiations which gave birth to the 1989 UN resolutions authorizing this conference, some would say that the enormous differences between rich and poor countries were bridged; others would say that differences were papered over. The northern countries see the conference as primarily an **environmental** meeting. Southern countries, on the other hand, see it as a **development** conference, one that can address social justice issues. Many southerners feel that northern countries have achieved some of their wealth at the expense of southern countries and that the North is, to some extent, precluding successful industrialization in the South by imposing trade barriers and excessive conditionality. I refer you to my article, "Healing Community: Restoring Creation" in the Spring 1991 issue of **Earth Ethics** (Attachment 1) for a discussion of how we might transcend North-South differences in dealing with environmental and development challenges.

One critical problem in the conference is that there is no forum for the discussion of "cross-cutting issues" relating to development (poverty, the role of women, population...) except for the plenary sessions. The challenge of building an agenda which truly integrates the cross-cutting issues has not yet been met and must be met at the next Preparatory Committee in August. This should be at the top of the U.S. agenda.

Countries in the South are not on a different boat than those of us in the North. If their end of the boat is sinking then our end will too. Those of us in the North realize that we are all in one "environmental boat" but, to some extent, the North responds to that understanding by pushing the South to clean up its act in ways that we, as a wealthy country, are unprepared to do. Since the environment -- the air we breathe -- is shared and poverty is not, understanding has not dawned that we are in one "boat" socially, economically, and existentially.

Since the topic assigned to me is immense, I have chosen to focus on ways in which Congress or this Committee might work with the administration (legislatively or non-legislatively) on aid, debt and technology transfer concerns to achieve positive results at UNCED in June 1992. Many governmental and non-governmental participants see this set of issues as being critical to the success or failure of UNCED. Southern countries simply do not want to incur debts or setbacks to development as a result of being a party to agreements which could require the application of costly new technologies or which would limit their rights in the development and marketing of such technologies. What is necessary, then? We suggest steps in the areas of: more effective aid, debt reduction, and appropriate technology.

I. **More Effective Aid.**

According to the World Bank's 1990 World Development Report, only about 8 percent of the U.S. aid program in 1986 was identified as "development assistance to low income countries." (p. 128) The custom has been for the U.S. to aid those countries perceived as strategically important rather than those countries which are investing in sustainable and broad-based development efforts.

The aid legislation which the administration has sent to the Hill has a strong focus on allocating aid more generously to democracies. We hope that as the foreign aid authorizing legislation is developed on the Hill, attention will be paid to the fact that countries with the trappings of electoral democracy are often lacking popular participation in decision-making at the grassroots. This distinction is crucial for, if the poor are not engaged in decision-making processes, then development will not be broad-based or environmentally sustainable.

NGOs at the UNCED Preparatory Committee in Geneva released a statement on poverty and environment which called for:

> "equity-led strategies that give priority to achieving broad participatory ownership, control and management of natural resources by people to serve their own needs. This is the essential foundation for just, sustainable and inclusive economic growth. The people of each locality fashion lifestyles consistent with the limits of their own environmental resources and avoid shifting the burden of resource consumption and waste disposal on to others."

Sustainable development will necessarily fail if populations are to grow at current rates and if inequities are not addressed. During the last decade gaps have grown between the haves and have-nots within societies and between the North and South. More frequently, as one travels one sees stark contrasts between the affluent and the marginalized. According to the "Human Development Report," approximately 1.5 billion people in developing countries lack health services, 1.75 billion lack safe drinking water and 2.8 billion lack sanitation.

As far as it goes, the administration is right to focus on democracy. But it must go further. It must develop and encourage policies which would involve the poor in decision making on critical questions* such as:

--Should the state use various taxation, colonization, or land-titling schemes in order to affect the distribution of land and protect the environment?
--Should agricultural policies emphasize incentives for export, or new incentives for subsistence? What to do about basic grains?

*Including questions by Sheldon Annis of ODC to the International Task Force of the House Select Committee on Hunger, December 6, 1990.

--Should reforestation efforts be geared toward commercial wood production, toward stopping commercial wood production, toward promoting biological diversity, or toward promoting agriculture?
--Shuld the undeveloped land be set aside for parks, or should it be opened up for agriculture? And if agriculture, by whom?
--Should money for education go toward primary education in rural schools, or toward computer programs in universities?
--Should deregulated telecommunications sectors strive for cheap phone service to connect villages or cheap international service to conduct modern commerce?
--Should enterprises establish a vast centralized electrical grid or develop incentives for decentralized renewable energy systems?

Focusing on the last energy-related question one can see the impact of shifting the locus of decision-making from the capitals and money centers of the world to local and regional levels. For example, a fifth of the World Bank's portfolio is energy sector related. Of this fifth, 80% is for construction of electrical facilities and 20% is for development of fossil fuel sources of energy. Very different decisions about priorities and allocation of resources might be made if such choices were made at local/regional levels.

It is significant that, in part due to the delaying tactics of the U.S. government, energy issues have been pushed aside or postponed in the UNCED agenda.

In the UNCED and in the multilateral institutions, such as the World Bank and the International Monetary Fund, the U.S. should take steps to encourage grassroots democracy and involvement in decision-making. Much more needs to be done by way of insuring that people at the grassroots have access to documents and plans for development. Despite popular pressure, much World Bank and International Monetary Fund business is conducted in secrecy.

Environmental and social impact assessment processes, which are just beginning to evolve at the World Bank, must be nurtured. Comparable impact assessment processes should be put in place in a range of other development and financial institutions (including the International Monetary Fund for which the U.S. Congress is being asked to at allocate $12.2 billion as its share of a FY92 quota increase). Without such steps, we will see technology ruling rather than serving culture.

The poverty effort principle.
In order to help assure that aid reaches the poor to foster broad-based development, we recommend that the "poverty effort" principle constitute a major criterion for allocating U.S. aid. The "poverty effort" principle establishes as a major criterion for aid allocation the extent to which recipient countries are demonstrating a commitment to reduce poverty in an environmentally sensible manner. Title V of P.L. 101-240 (See attachment 2) established the "poverty effort" principle as U.S. policy governing U.S. participation in the multilateral development banks. The U.S. (with other likeminded countries) has been successful in getting the World Bank to adopt the "poverty effort" principle. We hope that members of this Committee, and

of the Congress, in general, embrace this principle as it applies to bilateral aid. There are too few aid dollars to waste them on nations which are neglecting their human and environmental resources. Our very rough draft of suggested legislation for this purpose is attachment 3.

We also recommend that each borrowing country involve a broad range of grassroots organizations in creating a national development strategy which lays out the goals of development and strategies and timetables for meeting the goals. This concept has been endorsed by the Congress (Title V, P.L. 101-240), by the Joint Ministerial Committee of the World Bank and International Monetary Fund (September 1990 communique) and by the UN Development Program in its Human Development Report. Cooperation, fostered by several government ministries working together with grassroots organizations, can help create the dynamics and build the relationships necessary for bottom-up development.

The focus on more effective use of aid to reduce poverty and foster democratic participation in developing countries should not overshadow the reality that it is the developed countries which must make the most significant changes in lifestyle, priorities, infrastructure and commerce if this is to remain a habitable planet.

II. Third World Debt

For too much of the 1980s, we have seen a negative net transfer of resources from much of the South to the North. It is not surprising that developing countries bristle at the thought that environmental technology requirements imposed upon them at fora such as the UNCED might require deeper indebtedness to the banks and governments of the North.

We consider the 1992 UN Conference -- together with other venues such as the G7 Summit in London in July and the Annual Meetings of the IMF and World Bank in Bangkok in October -- as an opportunity to develop the commitment and the mechanisms to reduce public and private debt and reevaluate certain aspects of economic reform programs (or structural adjustment programs). In particular, we are asking the U.S. to declare its support for the Trinidad Terms (see below) at the London Summit.

The political rationale for extension of significant levels of debt reduction to Egypt and Poland by the U.S. is clear. Dire need or foundering of the development process in developing countries should also constitute a basis for debt reduction. Many developing countries face, or have faced, an adverse external environment characterized by enormous losses due to oil price hikes during the Gulf war, recessionary conditions in the U.S., declining terms of trade, exchange rate fluctuations, and high interest rates. Only miracles or concerted action by industrialized countries can preclude another lost development decade for many Third World countries.

Private Debt. We recommend that the Brady initiative to support reduction of debt for middle income countries be expanded. Steps to expand the initiative might include changes in banking regulations and tax incentives in creditor countries which would encourage banks to take part in debt reduction programs and grant new loans. The official financial resources for the Brady initiative amount to about $30 billion to reduce annual debt service of severely indebted middle income countries by about $6 billion per year between

1990-1993. More official resources would be helpful although, in our view, a greater burden should be put on the participation of the commercial banks. Other steps to consider include: parallel treatment of debt owed to export credit agencies and more generous public sector loans where the circumstances justify them. As described more fully below, the conditionality required for debt reduction should take into account the environmental and social consequences of economic reforms.

Official Debt. About two thirds of bilateral debt is owed to OECD countries (the Paris Club). Of this, about 18% is owed to France, 14% to each of the following countries, the UK, the U.S. and Japan, 10% to Germany and 30% to other countries.

Developing countries owe the U.S. government approximately $65 billion. Specifically, debts are owed to the Export-Import Bank ($9.9 billion), to the Commodity Credit Corporation ($4 billion), to the P.L. 480 program ($12.5 billion), the foreign military sales program ($16.2 billion), the foreign aid program ($18.8 billion), and other ($2.8 billion). Continuing to hold and accumulate developing country debt defeats the purpose of the U.S. aid program. We recommend major reductions in all categories of debt. A good place to start would be with severely indebted low-income countries.

The need to move beyond the Toronto Terms for low-income countries. In 1988, the OECD nations agreed to the Toronto terms for reducing bilateral debt. These terms gave creditor countries the option of cancelling a third of the debt (used by France and Finland), extending repayment periods (used by the US, Netherlands, Belgium and Spain), or halving to 3.5% the interest rates (used by Australia, Canada, Germany, Italy, Norway and the UK).

The Toronto Term reductions are equivalent to $76 million in total cash flow savings per year, which amounts to only about 1% of export earnings. According to Oxfam, UK, the chief failing of the Toronto Terms was that even if they were fully applied, they would still leave the severely indebted low income countries (SILICs) unable to pay the debt service owed. The proposed Trinidad Terms (proposed by then Chancellor of the Exchequer John Major) would reduce scheduled debt service to below current levels of actual debt service. These terms, proposed at the Commonwealth Finance Ministers meeting in August 1990 would involve:
--all governments writing off two-thirds of outstanding debt
--the reduction would be applied to the total stock of debt
--the cost of reductions would be additional to existing aid budgets
--repayment periods would be extended to 25 years
--interest payments in the first five years would be capitalized
--commercial banks are urged to make comparable reductions

Section 572 of the 1989 Foreign Aid Appropriations bill authorized reduction of concessional aid-related debt for the least developed African countries undergoing adjustment. The approximately $1 billion in debt reduction thus far accomplished has not been charged against foreign aid. Under the credit reform provisions of the 1990 Banking Enforcement Act, it is our understanding that scoring of the net present value of such debts would now be required. On the condition that further debt reduction should not result in a net decrease in foreign aid, we recommend that further steps be taken to complete reduction of concessional and non-concessional debt in Africa and expand the debt reduction program to other countries.

We recommend that there be an inquiry into the cost (in terms of the net present value) to the U.S. government of reducing $2.5 billion in debts of severely indebted low income countries (SILICs). One major debtor, Zaire would be excluded on human rights groups. (However, it should be remembered that the bulk of Zaire's debt relates to the building of a dam which was an economic failure.)
Why do the severely indebted low income countries deserve special treatment? For them, debt amounts to 121% of their GNP, compared with 59% for severely indebted middle income countries. Most of the SILIC debt is official -- owed to governments -- rather than to commercial banks. Eighteen of the 26 SIMICs have adjustment programs in place. The SILICS include: Benin, Burundi, Comoros, Equatorial Guinea, Ghana, Guinea, Guinea-Bissau, Kenya, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Nigeria, Sao Tome, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Zaire and Zambia. Non-African SILICs are Guyana and Myanmar.

If these countries were to service their debts in full they would be using 70% of their export earnings doing so, leaving precious little for import needs. As it is they only meet about 40% of their obligations. It is hard to see how these countries could give top priority to the environmental concerns that rank so high in the UNCED agenda when their collective GNP shrank 11% last year alone. Throughout the 1980s, Africa as a whole experienced an annual 3.7% decline in its terms of trade. While many countries were able to increase their export volumes, few did more than retain their earnings. In other words, natural resources were depleted at a higher rate to achieve the same economic benefit.

We hope that the U.S. will declare its support for the Trinidad Terms at the London Summit in July.

Adjustment: Taking social and environmental considerations into account. Creditor banks and governments generally require that countries adopt the "right policies" in order to qualify for aid, loans, debt reduction or debt swaps. It is a matter of great importance how one defines the "right policies." Obviously, policies send economic signals which, in large measure, determine whether a country will enjoy economic health, equity, and environmental protection. Such signals will help establish whether a country can service its debts and effectively trade, and invest in its future productivity.

Economic reform or structural adjustment packages attempt to incorporate the "right policies" which are generally intended to help governments meet external payments (including debt servicing payments) and to restore sustainable growth by boosting the productive capacity of the economy through reallocation of resources to higher return activities. Economic reforms generally entail removal of subsidies, privatization of state-owned enterprises, currency devaluation and removal of barriers to free trade.

It is our sense that the emphasis of adjustment programs should not only be on improving the effectiveness of the primary asset of the poor -- labor -- but also on increasing the poor's access to productive assets -- land and credit. Access to land through land reform efforts is essential in a world in which 60% of the poor derive their livelihood from farming.

It is also our sense that the transition to a free market system should be gradual and selective. Too often it is the case that foreign competition has forced plants, equipment and workers in developing countries to reduce or shut down production. The restructuring of a more efficient export sector often does not occur because the costs of austerity are too high to sustain. Moreover, adjustment's excessive emphasis on export sector growth often overshadows the development needs of the native people. In the rush for investment in the export sector, consequences to the environment or the affected communities are frequently ignored.

Adjustment requires cuts in government expenditures. Too often, we have seen developing country governments choose to cut primary health, primary education and social services rather than cut the budget of the military or the services to the well-to-do. Adjustment calls for removal of subsidies which, if done clumsily, can hurt those least able to bear it.

Embracing the Trinidad terms by reducing the debts of severely indebted low income countries, inducing banks to become more involved in the Brady Plan, and further steps to make adjustment more environmentally and socially "friendly" would help level the playing field for developing countries. They, in turn, might be more amenable to taking environmental protection steps encouraged by the North.

III. Technological Change.

High levels of debt impede investment and technological innovation. Poverty results in unfulfilled and unproductive people who are unable to gain access to the means for transforming their own lives or their societies in healthy, environmentally benign ways. It is more important, however, that significant change occur in wealthy societies, such as our own. The profound inequity is that 20% of the world's population consume 80% of the resources. Thus, debt, poverty and affluence, and technological change -- the three topics of this testimony -- are all intimately entwined.

Many developing countries in the UNCED negotiations see the concessional transfer of technology as being the *sine qua non* of their agreement to environmental conventions. This Committee could make a significant contribution to the UNCED by offering guidelines for effective and equitable guidelines for technology transfer.

It is hard to define technology transfer. One could legitimately ask: What kind of technology are we talking about? Who is transferring what to whom? At what cost and on what terms and conditions? What technology is NOT being transferred? This Committee is in a position to create a context for considering these questions.

We hope that simple as well as complex technologies will be encouraged -- bicycles and disease resistant cassava as well as scrubbers and semiconductors.

We hope that the U.S. views itself as in need of new technology -- as well as being a source for appropriate technology. The U.S. is in need of low technology as well as high technology. Half the world uses bicycles for transportation. Do we want to emulate them? Or persuade them to imitate our petroleum guzzling, polluting, auto-dependent society? What does it mean to live in a society, such as the U.S., in which a high percentage of workers have an extensive commute to work and then come home to ride their stationary bicycles for exercise?

Unfortunately, many Northern countries are dumping their old, lower-cost technologies in the South. What can be done to stop this kind of North-South transfer?

We hope that transfers are understood as multi-directional -- not just from the North to the South. What can be done to encourage transfers from South to North? For many developing countries which do not have a centralized electric utility grid, it would be cost-effective to develop solar power. Effective experience with, for instance, photovoltaics in developing countries, can be instructive to the North. Biases against indigenous environmentally sound technology need to be overcome.

We hope that equity considerations underscore the resolution of intellectual property rights claims.

When one considers what is equitable one must weigh questions such as: how much is it worth that 75% of the genetic base for corn grown in the U.S. comes from Latin America?

We also hope that demand for technological change within developing countries is taken seriously. For instance, in Latin America the productivity of beans and corn has declined significantly. Unfortunately, the international R&D efforts have not taken this trend significantly. The need for agricultural technology innovation must be taken seriously, but so too must the need for extension services be addressed. In some countries, such as Guatemala, three-quarters of the resources for extension services never leave the capital.

In the remainder of my testimony, I will focus on the need for technology to be appropriate or suited to developing country needs. It is our belief that the practice of tying U.S. aid impedes the development and application of appropriate technology.

Tied Aid. Tied aid refers to the practice whereby governments provide exporters with official assistance to promote their goods or services in order to enhance competitiveness. Attachment 4 to my testimony entitled, "Export Promotion and U.S. Foreign Aid," is a document prepared by members of the Foreign Assistance Working Group, of which FCNL is a member. It outlines the reasons why tied aid legislation, such as S. 571 (introduced by Boren, Bentsen, Byrd and Baucus) and H.R. 2137 (introduced by Geren), would be damaging to the goals of broad-based development.

Many of our objections to tied aid initiatives being taken by various Members of Congress stem from our conclusions that the laudable twin objectives of tying aid -- namely enhancing development while increasing U.S. competitiveness -- simply will not materialize. For instance, S. 571 gives undue priority to capital projects compared with other forms of assistance and by so doing, encourages a type of technology that is not necessarily the most relevant or efficient in a given country situation. The attached paper by the Foreign Assistance Working Group (FAWG) cites a 1986 report on the Sahel by the Office of Technology Assessment which found that:

> "Congressionally mandated AID requirements to use American equipment have proven ineffective in stimulating new markets for U.S. goods, a major objective of such measures. In addition, these 'buy American' requirements have led to the use of inappropriate capital-intensive technologies...So-called 'tied aid provisions' for equipment and technical assistance have greatly increased the total cost of aid and, from the perspective of the Sahelian recipients, greatly diminished its value to them." (OTA, Continuing the Commitment, p. 105)

A recent Department of Commerce report (International Financing Programs and U.S. International Economic Competitiveness) concluded that untied aid is more efficient because it allows the recipient to obtain the best prices for necessary imports. The report noted that:

> "tied aid can lead to inefficient and wasteful procurement practices, sometimes with relatively low development impact." (p. 31)

Fundamentally, it is our view that "diverting aid from activities to increase the productivity (and therefore the incomes) of the poor would result in short-term benefits to a limited sector of the U.S. export economy at the expense of greater long-term benefits broadly distributed throughout U.S. export sectors. Such long-term benefits will be more likely to accrue to the U.S. if the U.S. restrains itself from putting its own commercial advantage before poverty alleviation and human resource development.

In summary, we encourage this Committee and the Congress to take steps which would address the development needs of the Third World. Unless the U.S. and other northern countries address these needs, progress on common concerns for the environment is likely to flounder. Addressing development needs should include:

--fostering democratic, grassroots participation in decision-making,
--allocating U.S. aid commensurate with a country's commitment to alleviating poverty in an environmentally sensible way,
--facilitating reduction of commercial bank debt,
--reducing official debt -- especially for the severely indebted low income countries (e.g. adopting the Trinidad Terms),
--barring or reducing the practice of tying aid on a unilateral as well as bilateral basis.

ATTACHMENT 1

Earth Ethics

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Vol. 2, No. 3

Spring 1991

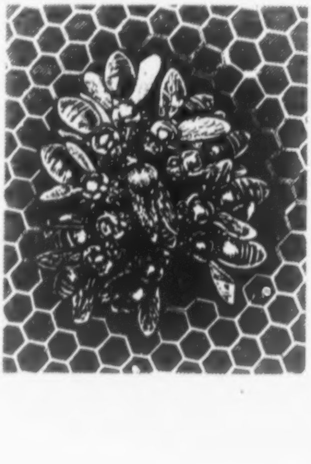
Healing Community: Restoring Creation

by Nancy C. Alexander

Concern about environmental degradation must be linked to care about human communities if a sustainable future is to be achieved. In this article, Nancy Alexander shows the connection between those two concerns in the context of the global issues facing the 1992 United Nations Conference on Environment and Development. Nancy Alexander is legislative secretary at the Friends Committee on National Legislation in Washington, D.C., where she has lobbied for a U.S. foreign aid bill that reflects the values discussed in this article. She also helped found and is a member of the executive committee of the U.S. Citizens Network on the 1992 United Nations Conference on Environment and Development.

The Persian Gulf crisis demonstrates that threats to human security in the 21st century will, in great measure, arise from how nations and cultures answer questions about who has rights over the world's resources. Who makes decisions about resources? The people who live where the resources reside? Those with military dominance? Those who can pay the most for them? Transnational corporations?

The values that frame our response to this question also frame our approach to how sustainable development for the world's human population should be achieved. I propose that community is the central value needing attention. Genuine community upholds three further values: participation, equity, and sustainability. Further, I propose that a transformative spirituality, nurtured by faith communities, can be the great agent of change that will help people move toward values that will enable us to survive and flourish on this planet for the long term.



Building Communities

As the world population explodes exponentially and the environment becomes increasingly degraded, the question of who makes decisions about resources will dominate all local and global politics. To understand the significance of the decisionmaking process, we need only ask: Were the populations of Love Canal or Bhopal given appropriate information to make decisions about the safety of their community? When World Bank support for construction of hydroelectric dams forces relocation of hundreds of thousands of indigenous people from ancestral lands, are the rights of these people to remain on their lands acknowledged? Do the governments of poor countries consult their citizens when they accept payment for storage of toxic wastes from industrialized nations?

People have a right to participate in decisions that affect them. That is what democracy is all about. For that reason, participation is at the apex of the values pyramid shown in the graphic (page 3). Sustainable development is not something that is going to happen *to* people; it will be brought about *by* people. People protect the places they call home and the people they love and identify with. Consider the statement of an Australian woman aborigine: "If you have come to offer me your help, you can go home again. But if you see my struggle as part of your own survival, then perhaps we can work together." Such peoples hope for partnership in the human path toward the future, not simply to be beneficiaries of plans made without their participation.

This reality shows us that support for local communities must be the central value in any agenda for a sustainable future. At present, the general public and policymakers hold sustainability, narrowly conceived as a global environmental goal, to be the central value. The power of

As we go to press, assessment of the environmental damage resulting from the recent war in the Middle East is still in progress. Enough is already known, however, to raise concern about this grim addition to human suffering in the region. The oil spills in the Persian Gulf will intensify degradation of an ecosystem that was, partly as a result of earlier oil spills, already regarded by the United Nations as 43 times more polluted than any comparable body of water in the world. The smoke from hundreds of Kuwaiti oil wells set ablaze by Iraq will add significantly to the atmospheric burden of carbon dioxide and other gases. Along with the shrimp beds, seabirds, and other aquatic and terrestrial wildlife affected, human health, livelihoods, and agriculture in the region will suffer as a result.

International protocols do provide some ethical guidelines related to protection of the environment during war, although more in the form of ideals than specific constraints. "Nature shall be secured against degradation caused by warfare," says the *World Charter for Nature*, passed by the United Nations in 1982. "Care shall be taken in warfare to protect the natural environment against widespread, long-term, and severe damage," says the Geneva Protocol of 1977.

Surprisingly, given the potential for environmental disaster in the region, most of the American political debate about the Gulf war had little to say about this factor. Just-war theory, which reflects a basic cultural consensus about limits to the use of force in war (use force only as a last resort, make the force proportionate to the objective, avoid direct targeting of civilians), was often invoked, but (at least in the reading of this editor) without reference to environmental concerns.

That must change. Just as our economics must be enlarged to consider the costs and benefits of human activity for the larger earth community, so must our debates about war—and any future discussion of "a new world order." We must, as the Native American wisdom had it, consider what the earth has to say. *—Sara Ebenreck*

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Earth Ethics
Evolving Values for an Earth Community

Earth Ethics is a quarterly publication that examines the basic assumptions, attitudes, and beliefs that underlie our relationship with the natural world as we evolve toward an earth community.

Publisher
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Editor
Sara Ebenreck

Associate Editor
Patricia Cummings

Copy Editor
Violet A. Houser

Design
Judith Barrett Graphics

Production
Eric Sampson

Assistant to the Publisher
Renee del Solar

Circulation Manager
Janet Miller

Editorial Advisors
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John Opie, Director, Center for Technology Studies, New Jersey Institute of Technology
R. Neil Sampson, Executive Vice President, American Forestry Association

Editorial correspondence should be directed to Sara Ebenreck, Editor, ***Earth Ethics***, 3451 Sixes Road, Prince Frederick, MD 20678. All other correspondence should be directed to ***Earth Ethics***, Green Fire Foundation, 4006 Chestnut Place, Alexandria, VA 22311. Contributions should be made payable to the Green Fire Foundation.

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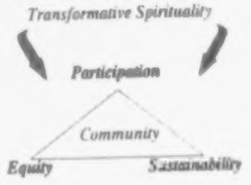
this value is reflected in the strength and influence of the environmental lobby as contrasted with the relatively weak anti-poverty lobby. But a single-minded approach to sustainability overlooks the fact that ultimately it is grassroots communities in developing countries that will protect or despoil their environments. Resources cannot be protected by armed guards. Rather they must be protected by local people living in harmony with the earth while applying their knowledge and experience to earn a livelihood from it. Unless our policies help foster such communities, efforts to foster sustainability will be ineffectual.

In order to create a truly sustainable future, we will need to move away from values that encourage consumption of material goods and the creation of financial wealth as goals in themselves. A central question should be: How can we focus on quality and fullness of life in our communities rather than standards of living that measure how *much* we consume?

A purely technical approach will not work in creating a sustainable future. Technocrats (those who focus almost solely on technical solutions for environmental problems) believe they understand the massive problems that confront our species and our planet. For them, the quest for sustainability is a managerial problem; people are simply one of the many elements to be manipulated toward a solution. While the technical approach has a contribution to make, it must be complemented by a participatory approach that views the future from the perspective of the people being managed and asks: How can people be empowered to invent their own futures?

Once participation is seen as essential to building sustainable societies, equity for those who have less access to power in local, national, or global societies becomes an important value as well. Too often, debate over environmental issues ignores the interests of the poor. For example, in the 1990 debate over the Clean Air bill in the U.S. Congress, a representative from the National Council of Churches was the *only* lobbyist who worried about the effect of the bill on people living in poverty. This lobbyist persuaded one legislator to introduce several provisions in the bill to shield people living on a poverty level from the increases in the cost of electricity that would follow from the legislation. In conference, however, those provisions were eliminated from the bill. Clearly, as this example shows, the joining of equity with environmental sustainability values will not be an easy political achievement. Yet, a society that is to endure in the long run must work for equity for all its members. Without the pressure of equity as a value, plans for environmental sustainability can too easily be formulated in ways that simply satisfy already entrenched interests.



Value Debates and the 1992 UN Conference

One can see the interrelationship of the values of equity, participation, sustainability, and community by considering the issues that are likely to be discussed at the upcoming United Nations Conference on Environment and Development. This conference, which is scheduled for June of 1992 in Rio de Janeiro, will mark the 20th anniversary of the 1972 Stockholm Conference on the Human Environment. The conference is expected to create a Magna Carta for the Earth—a charter declaring the principles and behavior that should govern humankind's relationship with the earth. The conference will also create a Twenty-First Century Agenda, which will include goals for the next century, assign roles and responsibilities, and create a timetable for achieving the goals.

The focus of the conference is on building cooperation between the countries of the North, which are, on the whole, rich and industrialized, and the countries of the South, which are, on the whole, poor and unindustrialized. The less developed countries of the South are critical to the successful resolution of major issues that may be negotiated at the conference—issues relating to climate, forests, biological diversity, and technology transfer. But the willingness of poor countries to undertake global accords on environmental issues will depend on the extent to which wealthy nations offer them an equitable place in the global economy. In the planning sessions for the conference, southern countries have been demanding that northern countries provide financial aid, in return for which southern countries would apply environmentally sound technologies. The fact that the United States has so far refused to promise additional aid to less developed countries has already resulted in some weakening of support for the conference among a number of southern countries.

In the arduous negotiations which gave birth to the 1989 United Nations resolution authorizing this conference, enormous differences between rich and poor countries were papered over. The northern countries see the conference as primarily an *environmental* meeting. Southern countries, on the other hand, see it as a *development* conference, one that can address social justice issues. Many southerners feel that northern countries have achieved some of their wealth at the expense of southern countries and that the North is, to some extent, precluding successful industrialization in the South by imposing trade and environmental barriers to production.

Trade barriers can take many forms, one of which is higher tariffs for finished goods than for raw materials. Southern countries find it easier, as a result of the existing tariff structure, to export commodities such as iron ore and cotton instead of manufactured products such as iron, steel, or clothing. As a consequence, southern land and other resources are often overused or misused to produce raw materials for export.

The cost of environmentally sound technology is another barrier to industrialization in southern nations. Northern

“People in the South ask, ‘Who are you northerners to preach to us about population when you are the major consumers of the world’s resources’?”

countries can exert financial leverage to force the application of sound technology in southern countries. But southern countries lack the power to force environmental prudence on wealthy northern nations, who themselves earlier took the cheap and dirty route to industrialization. Still, the less developed countries are not about to be consigned to perpetual underdevelopment. And, in any case, they see hypocrisy in the demands of northern countries who have yet to deal with major environmental problems of their own, including issues related to transboundary pollution.

Consider three other areas in which the interests of northern and southern nations differ, and in which questions about equity, participation, and environmental sustainability converge: forests, population, and debt.

Half of the forests in the developing world have been cut in this century. People in the South see rain forests as the key to their immediate survival, the only resource on hand to provide them with land and livelihood. They perceive northerners as interested in the rain forests as a source of wood for furniture or as a giant air conditioner to counter-balance the effects of the carbon dioxide that northern cars and factories are pumping into the atmosphere. In short, they see northerners as unconcerned with their societal welfare. Too often public events seem to reinforce that conclusion. At the July 1990 economic summit meeting of the seven major industrial nations, for example, a consensus was reached on a major environmental action: that Brazil should save its forests. Brazil was not at the summit, yet the seven industrialized nations had no reservations about setting that country's priorities, while they neglected to set environmental agendas for their own nations. The message that goes out to the developing world is: “We've got ours and you can't have any.” Ethically, as one U.S. Quaker Yearly Meeting put it, northerners need to ask, “How, after we have feasted for centuries at nature's table, can we now tell those who are poor or starving to suppress their appetites?” Surely we cannot do this without learning to restrain our own.

A second issue generating North-South friction is the interaction of population and environmental issues. There is a tendency among northerners to view the pressures imposed on the environment by explosive human population growth as largely a southern problem. But this view ignores the vast discrepancy in the relative demand made by individuals in industrialized and non-industrialized nations on the earth's resources. If, for example, my adopted Indian daughter lived her entire life in India, she would consume only 1/35th of the energy that a typical American consumes. People in the South ask, “Who are you northerners to preach to us about population when you are the major consumers of the world's resources?” Because children in countries like India, especially boys, are viewed as sources of social security, and because infant mortality rates are high in many places, large families provide assurance that some children will survive. Until equity issues related to health—not to mention literacy and women's rights—are dealt with, population pressures will continue.

A final issue dividing North and South is debt. Crushing national debt drives the destruction of communities and the environment in developing countries, which are damaging their environments in order to grow crops for export. In Costa Rica, for example, where deforestation is proceeding even more rapidly than in the Amazon, there has been large-scale clearcutting for cattle ranching and the expansion of banana and coffee plantations. At the same time, deforestation is also being caused by poor farmers who are driven onto marginal land to make a living. Predictably, more attention is given to the negative role of the poor in this phenomenon than to the role of affluent interests.

The force behind the Costa Rican and, indeed, the global economy, is a free-market, export-oriented development paradigm. In this paradigm, international lenders lend principally to encourage economic growth, investment, and free trade. Creditors dispense economic “medicine” intended to stimulate the economies of debtors and permit them, among other things, to service their debt. However, in many cases, the side effects of the free-market “cure” are worse than the “disease”—at least for the poor majority. Poor countries, desperate to earn foreign exchange, both to pay their gargantuan debts and to import necessities, are driven to plunder the earth and exploit their people in order to increase their exports, making long-term sustainability impossible.

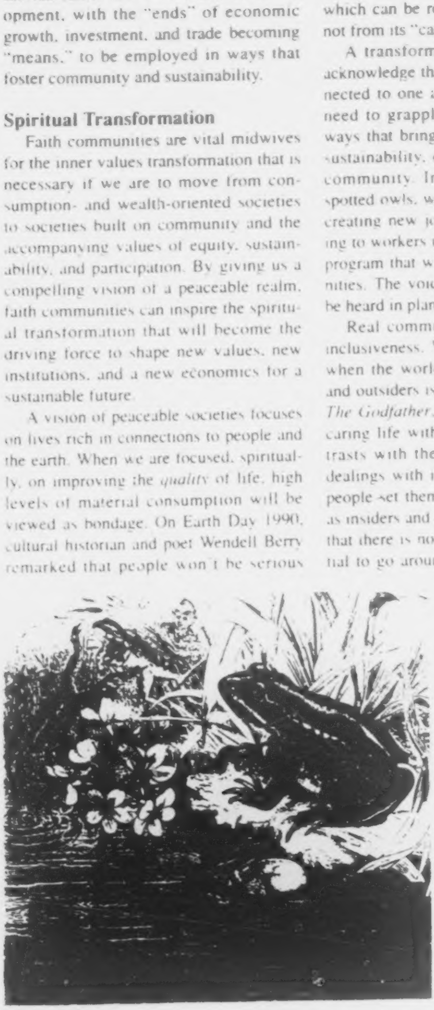
Proponents of an alternate paradigm, one that seeks global equilibrium, see three inherent contradictions in the so-called “sustainable growth” orientation of free-market advocates. First, particularly in developing countries, growth too often leads to the depletion and despoliation of resource capital. Second, our way of understanding “growth” doesn't differentiate between production that enhances communities and production that destroys them. When development or production decisions are imposed on communities, rather than being made by the communities themselves, sustainability is not served. Third, our way of measuring “growth,” through indicators like the Gross National Product, does not differentiate between the quantity and the quality of what is produced. The economy consumes resources and expels waste, and everything sold—from bombs to baby bottles—adds to the total GNP, which may climb upward while the natural environment and our communities decline. For a sustainable future, we need an economics that counts what matters, that helps human and natural communities to flourish and endure.

In short, the orthodox paradigm for development must be recast in order to heal communities and restore creation. Free-market economics must become the servant rather than the master of development, with the "ends" of economic growth, investment, and trade becoming "means," to be employed in ways that foster community and sustainability.

Spiritual Transformation

Faith communities are vital midwives for the inner values transformation that is necessary if we are to move from consumption- and wealth-oriented societies to societies built on community and the accompanying values of equity, sustainability, and participation. By giving us a compelling vision of a peaceable realm, faith communities can inspire the spiritual transformation that will become the driving force to shape new values, new institutions, and a new economics for a sustainable future.

A vision of peaceable societies focuses on lives rich in connections to people and the earth. When we are focused, spiritually, on improving the *quality* of life, high levels of material consumption will be viewed as bondage. On Earth Day 1990, cultural historian and poet Wendell Berry remarked that people won't be serious about the idea of a sustainable future until they've realized that their own standard of living (in the quantitative, material sense) will need to be lowered. I often think of such a future state of global equilibrium as one in which human communities are living from the "interest" of the earth, which can be renewed and restored, and not from its "capital."



A transformative spirituality would acknowledge that because we are all connected to one another and the earth, we need to grapple with moral choices in ways that bring to bear all the values of sustainability, equity, participation, and community. In thinking about saving spotted owls, we also need to think about creating new jobs and providing retraining to workers in an economic conversion program that will sustain human communities. The voices of those affected must be heard in planning for the future.

Real community is characterized by inclusiveness. What happens to morality when the world is divided into insiders and outsiders is shown vividly in the film *The Godfather*, in which the warm, rich, caring life within a Mafia "family" contrasts with the brutality that marks its dealings with its rivals. One reason why people set themselves against each other, as insiders and outsiders, is the perception that there is not enough of what is essential to go around. When we believe this, we become greedy and fearful. Our desire to ensure a sufficiency for ourselves then requires that we think of some other people as intrinsically less deserving or needful. The inevitable effect is suffering, both on the part of the seemingly powerful insiders and the outsiders—too often, in the real world, women, children, and people of color—who lack access to vital material goods. In fact, although real scarcity does occur, we may have the illusion that "there isn't enough to go around" because we are so poorly connected with our bodies, our communities, and the earth—in short, because we are deprived of the sources of lasting pleasure. A transformative spirituality will need to lead us back to these profound and rewarding connections.

The overriding emotion of transformative spirituality is gratitude. Meister Eckhart, the great medieval mystic, said that the only prayer necessary in life is "Thank you." Gratitude means not taking anything for granted, not allowing human conceit to overtake awe. It means having courage, a word derived from the French words for "big heart." With courage, we know that we can heal communities and the earth; it's not an either-or game in which we must choose one or the other. With courage, we can accept everyone as insiders, especially those who are struggling to become whole against great odds. With courage, we can strive to give back more than we have received from the earth's bounty.

The realization that we are interconnected with all peoples and the earth can be the cause for affirming life. One of my personal images of the power of interconnectedness is the gathered Quaker meeting for worship with its attendant sense of unity and blessedness. The experience that God is a verb—that God is "happening" between people gathered in community—is precious to me. Rather than stress that God happens within us (immanently) or above us (transcendently), a transformative spirituality senses God happening everywhere, especially between people and between people and the earth.

Each of us has a unique potential to be a transformative presence in the world. In the following passage from her poem "Natural Resources," Adrienne Rich describes the challenge we all face:

> "My heart is moved by all I
>   cannot save:
> so much has been destroyed
>
> I have to cast my lot with those
> who age after age, perversely,
>
> with no extraordinary power,
> reconstitute the world." ■

TITLE V—ALLEVIATION OF POVERTY; ENVIRONMENTAL PROVISIONS; DEBT-FOR-DEVELOPMENT SWAPS; CONSOLIDATION OF REPORTING REQUIREMENTS

Subtitle A—Alleviation of Poverty

SEC. 501. INCREASING THE PRODUCTIVE ECONOMIC PARTICIPATION OF THE POOR.

22 USC 262p-5.

The International Financial Institutions Act (22 U.S.C. 262c et seq.) is amended by redesignating section 1613 (as so redesignated by section 206 of this Act) as section 1614 and by inserting after section 1612 (as added by such section 206) the following:

"SEC. 1613. DISCUSSIONS TO INCREASE THE PRODUCTIVE ECONOMIC PARTICIPATION OF THE POOR; REPORTS.

"(a) IN GENERAL.—The Secretary of the Treasury shall instruct the United States Executive Director for each multilateral development bank to vigorously and continually advocate, in all replenishment negotiations and in discussion with other directors of such bank and with such bank, the following:

"(1) A major objective of such bank's operations and financing in each borrowing country, as a long term priority, should be to increase the productive role of the poor in the economy of such country.

"(2) Such bank should encourage and assist each borrowing country to develop sustainable national plans and strategies to eliminate the causes and alleviate the manifestations of poverty which keep the poor from leading economically and socially productive lives. Such plans and strategies should give attention to—

"(A) the enhancement of human resources, including programs for basic nutrition, primary health services, basic education, and safe water and basic sanitation;

"(B) access to income-generating activities, employment, and productive assets such as land and credit; and

"(C) consultation with public sector social agencies and local non governmental organizations.

"(3) As an integral element of ongoing policy dialogue with each borrowing country to design structural adjustment plans and project lending programs, such bank should provide assistance consistent with achieving the objectives of the country's national plan for increasing the productive economic participation of the poor. Such dialogue should be conducted with government agencies working in social and economic sectors and with non-governmental groups in the borrowing country, especially those that have grassroots involvement with poor people.

"(4) In an annual review document, such bank should describe the extent to which the goal of increasing the productive economic participation of the poor is being advanced or retarded and the steps that are being taken to overcome obstacles to its fulfillment. Such review should be based on information contained in the bank's country implementation review documents and in the country strategy documents for each borrowing country. Such country strategy documents should describe the national strategy for productive economic participation of the poor and the steps the bank plans to take to assist the borrowing country during the period covered by the country strategy document.

"(5) Such bank should assist countries in assessing and monitoring progress in achieving poverty alleviation goals and targets through measurement by appropriate social indicators.

"(6) Such bank should adopt procedures and budgetary allocations for administrative purposes, and establish appropriate staffing levels, to ensure that adequate resources are available to implement the bank's program for enhancing the productive economic participation of the poor, in consultation with non-governmental groups.

"(7) Such bank should adopt, as a separate and major criterion in the allocation of concessional financing resources, a preferential allocation to each country which undertakes significant efforts to enhance the productive economic participation of the poor.

"(8) Such bank should require each country which receives structural adjustment assistance to have in place, after a reasonable phase-in period, a strategy to enhance the productive economic participation of the poor.

"(b) PROGRESS REPORT.—Before the end of the 1-year period beginning on the date of the enactment of this section, the Secretary of the Treasury shall submit to the Committee on Banking, Finance and Urban Affairs and the Committee on Appropriations of the House of Representatives, and the Committee on Foreign Relations and the Committee on Appropriations of the Senate, a report on the following:

"(1) The status of advocacy and progress being made to implement the objectives of subsection (a), describing the success to date, the obstacles encountered, and future expectations of progress.

"(2) A description of the progress to date in achieving the purposes of section 1611, including the institutional capacity and effort devoted to assisting in the development of statistical measures to assess the well-being of the poor.

"(3) A description and evaluation of the progress to date in developing effective mechanisms for involving non-governmental organizations, directly or indirectly, in the design, implementation, and monitoring of development projects, programs, and policies of the multilateral development banks."

ATTACHMENT 2

ATTACHMENT 3

PLEASE COMMENT ON THIS DRAFT FROM NANCY ALEXANDER (FCNL) AND CHARLIE SYKES (CARE)

FOR CONSIDERATION IN THE CONTEXT OF THE FOREIGN AID AUTHORIZATION:

COMMENTS TO: Nancy Alexander, Friends Committee on National Legislation, 547-6000. Fax: 547-6019.

Increasing the Productive Economic Participation of the Poor Act

A major, long-term objective of U.S. foreign assistance should be to increase the productive role and participation of the poor in the economies of recipient countries.

To accomplish this, the U.S. should adopt, as a major criterion in the allocation of resources, a system of preferential allocation favoring those countries which undertake significant efforts to enhance the productive economic participation of the poor in a socially and environmentally responsible manner.

The U.S. aid program should, in concert with appropriate multilateral donors, support the crafting and implementation of national development strategies to eliminate the causes of poverty which keep the poor from leading economically and socially productive lives. In supporting the development of such strategies, the U.S. should give special emphasis to the involvement of a broad range of non-governmental organizations.

The U.S. should determine the extent to which support is required to assist countries in achieving the goals of their national development strategies, especially goals pertaining to:

(A) achieving child survival goals relating to: under-five mortality, basic nutrition and primary health services, primary education, and safe water and sanitation.

(B) providing the poor with access to income-generating activities, training, employment, productive assets such as land and credit and technical assistance;

(C) facilitating consultation between public sector development, social and environmental agencies and local non-governmental organizations.

(D) insuring that fostering the effective economic participation of the poor is accomplished in a socially and environmentally responsible manner which will work towards breaking the vicious cycle of poverty due to environmental degradation and environmental degradation resulting from poverty.

(E) developing the institutional capacity and effort to measure, track and accomplish the goals set forth above.

Less support from the U.S. may be deemed necessary for the above purposes in the event that such purposes are significantly supported through multilateral or other donor channels.

In an annual review document, the U.S. Agency for International Development should describe:

(A) the extent to which the goal of increasing the productive economic participation of the poor is being advanced or retarded and the steps that are being taken to overcome obstacles to its fulfillment;

(B) the analysis of how the A.I.D. determines aid allocations and the significance of various factors which, combined, comprise a country's poverty effort; and

(C) the effect of the emphasis on a country's effort to reduce poverty on the lending patterns of A.I.D.

ATTACHMENT 4

April 9, 1991

EXPORT PROMOTION AND U.S. FOREIGN AID

This position paper was developed by the foreign assistance working group, an informal coalition of PVO's, cooperatives, and religious agencies that monitor the U.S. foreign aid program, meet together periodically to develop shared positions on critical issues, and seek to influence U.S. government policies on international development and environment issues. The paper focuses on an issue that is receiving increasing attention in the debate on foreign aid -- whether promoting U.S. commercial interests should be a more central goal of the U.S. foreign aid program -- or as the terms of the debate are frequently stated, the extent to which aid should be "tied."

What is Tied Aid?

Tied aid refers to the practice whereby governments provide exporters with official assistance to promote their goods or services in order to enhance competitiveness. Tied aid comes in the form of tied aid credits or mixed credits. The former includes loans and grants that allow businesses to export at costs below market rates and that also require the recipient nation to procure goods and services necessary for a project from the donor country.

Mixed credits combine government funding at below market rates with commercial funds. This produces interest rates and loans that are lower than market rates. Both tied aid and mixed credits are employed by countries seeking to win contracts for their exporters for capital intensive projects such as power plants, telecommunications systems, and transportation.

Arguments For and Against Tied Aid:

Proponents of tied aid argue that the U.S. foreign aid program should be re-oriented toward enhancing U.S. export competitiveness and furthering U.S. economic interests. They cite evidence that other countries routinely tie the sale of goods and services to their assistance funds or mix aid and commercial credits whereas the U.S. does not. As a result, U.S. businesses are at a disadvantage in competing in the world market for infrastructure contracts. They suggest that a foreign aid program in which U.S. commercial objectives play a more central role would lead to increased U.S. exports, more jobs for U.S. workers, and ultimately, a domestic constituency more supportive of foreign aid.

The alternative viewpoint is that tying aid as proposed would undermine a central purpose of the legislative mandate for foreign aid: to promote broad-based development in recipient countries. Opponents of tied aid point out that development theory and practice have moved away from an initial emphasis on capital intensive projects in the 1960's toward small-scale, labor intensive development, and that tying aid would force a return to a now discredited approach to development. They also argue that promoting broad-based development which raises incomes of a majority of the people in recipient countries is the most likely way to increase trade with the U.S. over the long-term. Moreover, they point to public opinion polls suggesting that humanitarian considerations are a far stronger motivator of constituency support for foreign aid than are economic and commercial considerations.[1]

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1. *What Americans Think: Views on Development and U.S.-Third World Relations* by the Overseas Development Council and InterAction, p. 7.

The Aid for Trade Act of 1991:

The "Aid for Trade Act of 1991" (S. 571) -- introduced by Senators Boren, Bentsen, Baucus, and Byrd -- promotes the purchase of U.S. goods and services by amending the Export-Import Bank Act of 1945 and the Foreign Assistance Act of 1961. A key provision requires that bilateral economic assistance (development assistance and Economic Support Fund) on an increasing scale be allotted to infrastructure capital projects tied to purchases of capital equipment and services in the U.S. The scale ranges from 10 to 15 percent of total bilateral economic aid in fiscal year (FY) 1993 to 30 to 35 percent in FY 1997, and at least 35 percent for fiscal years thereafter.

The bill also calls for creation of a mixed credit window within the Agency for International Development (AID) to facilitate the combined use of Exim and private sector loans and AID grants. Under S. 571 grants will not constitute more than 35% of support for any capital project.

Aimed in particular at the no-strings-attached cash transfer portion of the Economic Support Fund program, the bill sets caps on the amount of ESF that could be used for cash transfers. It requires that no more than 50 percent of ESF aid be in the form of cash transfers in FY 93, approximately the current level, and that the percentage decrease to no more than 10% by FY 97. It excludes certain cash transfers from this provision by stating that only those cash transfers which are not tied to either the purchase of U.S. goods and services or repayment of debt owed to the U.S. government would be subject to these limits. The bill also tightens up AID's waiver authority that allows non-U.S. procurement.

In addition, the bill provides increases in funds for the Trade and Development Program, the Overseas Private Investment Corporation (OPIC), Exim Bank, and technical assistance for Eastern Europe

Position of the Foreign Assistance Working Group:

While we are aware of the need to maintain the United States' economic and commercial position in the world, in our view tied aid is not an appropriate means to this end. At both a policy level and a practical level the foreign assistance working group opposes S. 571 and similar tied aid initiatives. At the policy level we oppose efforts to tie U.S. bilateral economic aid, especially development and humanitarian assistance, to procurement of U.S. capital equipment and services for the following reasons:

- To place commercial interests front and center in the U.S. foreign aid program would open the aid program to increasing pressure to put U.S. commercial advantage before poverty alleviation and human resource development. It would undermine the basic human needs focus of development assistance giving priority to small-scale, self-help initiatives involving poor people in rural and urban areas, as defined in the Foreign Assistance Act:

  > "The Congress declares that the principal purpose of United States bilateral development assistance is to help the poor majority of people in developing countries to participate in a process of equitable growth through productive work and to influence decisions that shape their lives, with the goal of increasing their incomes and their access to public services which will enable them to satisfy their basic needs and lead lives of decency, dignity, and hope." (p. 18, v. I Sec. 102 *Legislation on Foreign Relations through 1989*).

Congress reiterated its commitment to poverty alleviation in report language of the House Appropriations Foreign Operations Subcommittee on the FY 91 foreign aid appropriations bill saying:

> "The Committee believes that it should be the policy of the United States to assist those nations that are making meaningful and concrete efforts to alleviate poverty. The Committee expects AID to ensure that poverty alleviation will be central to its country assistance programs and to its policy dialogue with recipient countries; to encourage those countries to adopt measures to protect the poor during the process of adjustment..." (*Report 101-553 of the Committee on Appropriations* to accompany H.R. 5114, p. 90).

- S. 571 gives undue priority to capital projects compared with other forms of assistance and by so doing, encourages a type of technology that is not necessarily the most relevant or efficient in a given country situation.

- Policy makers should recognize that the development needs of Eastern Europe and low-income countries are very different. While Eastern European nations may have a greater demand for capital projects and are at the point in their development when such projects are more helpful to them, low-income countries have very different needs.

At a practical level, we have a number of concerns about the impact, intended or unintended, of tied aid. Among them are the following:

- Promoting capital-intensive development is the wrong development approach for low-income countries. One of the principal manifestations of and factors contributing to the low standards of living in those countries is the inadequate or inefficient utilization of labor. Requiring that bilateral economic assistance be used to purchase expensive capital equipment does little to improve the use of labor in low-income countries.

- Tying aid to capital projects would skew aid allocations toward middle income countries where there is greater demand for large capital projects and away from low-income countries that need labor-intensive projects for the poorest people.

- Effective development means building upon individuals' skills, involving people in decisions that affect their lives, increasing their access to productive resources, and promoting environmentally sustainable growth. Capital projects do little to achieve any of the above goals.

- Since countries and people tend to purchase more imported goods as income rises, broad-based economic growth in aid-receiving countries offers the best prospects for increased trade with the U.S. Diverting aid from activities to increase the productivity (and therefore the incomes) of the poor would result in short-term benefits to a limited sector of the U.S. export economy at the expense of greater long-term benefits more broadly distributed throughout U.S. export sectors.

- There is no conclusive evidence that tied aid credits promote exports. Requiring people to buy a product they would not otherwise buy will not create a new market. A 1986 report on the Sahel by the Office of Technology Assessment found that:

> "Congressionally mandated AID requirements to use American equipment have proven ineffective in stimulating new markets for U.S. goods, a major

> objective of such measures. Meanwhile, they have complicated and even hindered project operations. Delivery time of U.S. equipment has been long, and inoperative U.S. vehicles, pumps and other equipment litter the Sahel for want of spare parts, maintenance skills, or operating funds ... **In addition, these "buy American" requirements have led to the use of inappropriate capital-intensive technologies ... So-called "tied aid provisions" for equipment and technical assistance have greatly increased the total cost of aid, and, from the perspective of the Sahelian recipients, greatly diminished its value to them."** (OTA, *Continuing the Commitment*, p. 105).

- Tied aid is inefficient. A recent Department of Commerce report (*International Financing Programs and U.S. International Economic Competitiveness*) concluded that untied aid is more efficient because it allows the recipient to obtain the best prices for necessary imports. The report noted that "tied aid can lead to inefficient and wasteful procurement practices, sometimes with relatively low development impact" (p. 31). These considerations are especially important for debt-burdened countries, where scarce foreign exchange needs to be used in the most efficient and productive manner.

- A shift from grants in favor of loans, as S. 571 requires, would increase the debt burden for countries already struggling to service their debt and meet the needs of their people. We support a grants only program.

- Mandating the tying of aid will cause the U.S. export market to shift in favor of subsidized goods and will impose high costs on taxpayers and unsubsidized industries. Subsidies also distort trade patterns and domestic production.

- If one of the objectives of tied aid is to create jobs in the U.S., as proponents suggest, the cost to taxpayers of subsidizing job creation through foreign aid would be very high. There are more cost-efficient ways of creating new jobs in the U.S.

- As noted in the Department of Commerce report mentioned above (p. 24), U.S. firms already have access to a number of different government financing programs for their export, foreign investment, and other business-related activities: Exim Bank and Commodity Credit Corporation for export credit, OPIC for facilitation of foreign direct investment, and the Trade and Development Program for strategic project planning. The report also pointed out that "AID's concessional financing, addressing U.S. humanitarian concerns as well as foreign policy and national security concerns, also supports a large volume of U.S. exports." In addition, within the last year Congress raised the cap on capital projects within AID from $50 million to $300 million.

Financial Implications of S. 571:

In addition to these general conceptual and practical reasons for opposing tied aid, the foreign assistance working group is deeply concerned about the financial implications of S. 571 for other components of the U.S. foreign aid program, particularly development assistance. The importance of these programs cannot be underestimated since, according to the World Bank, over one billion people in the developing world are living in poverty. (*World Development Report 1990* p. 1.)

It cannot be assumed that the additional resources for capital projects required by S. 571 could be made available from ESF cash transfers. Estimates suggest that the amount to be gained from capping ESF cash transfers, plus maintaining (adjusted for inflation) amounts that AID currently spends on capital projects, would not be sufficient to finance the total amount of capital projects required under the legislation. Therefore, in order to meet the percentage targets in S. 571 for capital projects, funds would have to be drawn from other AID programs. Also the mandated decreases in cash transfers could mean less local currency would be available for various development programs.

The following chart, based on an FY 92 constant level of funding for bilateral economic aid adjusted for inflation, illustrates the dilemma. For example, in FY 93, total bilateral economic assistance would be $6,652 million. According to the requirements of S. 571, a minimum of 10% of that, $665 million, must be spent on capital projects. AID expenditure on capital projects would be only $466 million, however. There is thus a shortfall of $199 million between the $665 million called for in S. 571 and projected AID expenditure of $466 million for capital projects in FY 93. This amount could not be made up from capping ESF transfers, since the legislation would cap cash transfers at 50%, approximately the same as the current percentage, resulting in no savings to be added for capital projects. The $199 additionally required for capital projects would thus have to come from other AID programs.

Even though the percentage allowed for cash transfers by S. 571 drops for successive years, the savings from that drop are not adequate to fund the increasingly higher percentages of funds required for capital projects. The shortfall grows in each succeeding year, requiring an increasing level of funds to be drawn from other AID programs in order to meet the capital projects requirements of S. 571.

As the chart illustrates, S. 571 would require $7.24 billion to be spent on capital projects over the five-year period, approximately $4.75 billion more than AID would spend over the same period at its current capital projects spending rate. About $2.34 billion could be freed up from the mandated decrease in cash transfers, leaving an additional $2.41 billion over the five years that must come from somewhere else in the foreign aid budget.[2]

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2. If, instead of the low end of percentages shown in the table, one were to choose the higher range (15% to 35%) in S. 571, $9.02 billion would be allocated for capital projects over the five-year period, $6.53 billion more than AID would spend at its current rate, leaving $4.19 billion to be drawn from other foreign aid programs.

S. 271 = $2.4 BILLION SHORTFALL: WHERE WILL IT COME FROM?

Assumption: All calculations are adjusted for inflation, at a rate of 3.5-3.6%

In $ millions	FY92	FY93	FY94	FY95	FY96	FY97	TOTAL
Total bilateral economic aid *	6,421	6,652	6,885	7,119	7,354	7,589	42,020
Current AID expenditure on capital projects	**449**	**466**	**482**	**498**	**515**	**531**	**2,941**
Total ESF - excluding $1.2 billion cash transfer to Israel	2,040	2,113	2,187	2,262	2,336	2,411	13,349
ESF cash transfers based on constant level of 50% of total		1,056	1,094	1,131	1,168	1,206	5,655
Limits on ESF cash transfers permitted by S. 571 and cash equivalent		50% (1,056)	40% (875)	30% (679)	20% (467)	10% (241)	3,318
Cash available for capital projects from decrease in cash transfers		**0**	**219**	**452**	**701**	**965**	**2,337**
Potential amount available for capital projects = required decrease in cash transfers + current amount AID is spending on capital projects		**466**	**701**	**950**	**1,216**	**1,496**	**4,829**
Required in S. 571 for capital projects and percentage of total bilateral economic aid **		665 (10%)	1,033 (15%)	1,424 (20%)	1,838 (25%)	2,277 (30%)	7,237
Shortfall: required amount for capital projects - the potential amount		**-199**	**-332**	**-474**	**-622**	**-781**	**-2,408**

* Bilateral assistance, Part I, as required by S. 571 would include DA functional accounts, ASHA, Housing Guaranties, OPIC, IO&P, narcotics control, disaster assistance, Development Fund for Africa, and, it is assumed, the Special Assistance Initiative (SAI) and the Philippines MAI. It also includes Chapter 4 of Part II which is Economic Support Fund.

** This chart uses the low end of the range of capital projects spending required by S. 571. The high end begins at 15% in FY 93 and ends at 35% in FY 97. The dollar equivalent is $998 to $2,656 million FY 93 to FY 97. Using the 15-35% figures, the consequent shortfall for FY 93 would be $532 million increasing to $1160 in FY 97.

Recommendations:

Out of these concerns the foreign assistance working group has developed a series of recommendations relating to tied aid. Some suggest criteria by which to judge legislative initiatives on tied aid. Others suggest additional analysis that needs to be done before embarking on initiatives the impact of which is unclear.

Recommendations on Tied Aid:

- **Continue New Directions:** The U.S. should not abandon the course Congress embarked on in 1973 with the New Directions legislation -- the use of development aid to promote human needs development. Development assistance should be protected, as in the FY 92 foreign aid appropriation (PL 101-513) that prohibited the use of development assistance, including the Development Fund for Africa, for tied aid credits.

- **Criteria for Capital Projects:** Capital projects should be undertaken only when consistent with national development plans and should include broad consultation with the affected groups at all levels of society. Further, these projects should be judged by their potential to alleviate poverty. All projects should also include environmental and social impact assessments. Clear definition and criteria should be established for determining what is "developmentally sound."

- **Pressure OECD Countries:** Rather than further institutionalizing the practice of tying aid, the U.S. should aggressively pursue efforts to convince OECD countries to refrain from using tied aid and mixed credits. Contrary to what is generally believed, Japan over the last few years has decreased its emphasis on economic infrastructure in its aid program from 49% in FY 87 to 31.7% in FY 89. S. 571's requirement that 35% of bilateral economic assistance be used for capital projects in FY 97 is also well over the amounts other DAC countries are currently devoting to economic infrastructure projects (@ 22-25%). (OECD DAC Report, *Development Cooperation: 1990* p. 216-217).

Recommendations for Further Study:

- **GAO Impact Study:** Congress should request that the General Accounting Office do a study that would assess the long-term impact of tying aid to procurement of capital equipment and services, as proposed in S. 571, on both the U.S. economy and on recipient countries, especially low-income countries. The study should also include an assessment of where the demand is for capital projects, what sorts of projects are being requested, and who would benefit from those projects.

- **Benefits to US Producers:** Congress should call upon the Administration to analyze and document carefully the degree to which current programs benefit U.S. producers, including AID programs, Exim and CCC, OPIC, the Trade and Development Program, programs of the multilateral development banks, and any other similar programs that provide benefits to U.S. exporters.

- **CBO Funding Target Study:** In addition to our own preliminary calculations, the Congressional Budget Office should carefully scrutinize the funding targets of S. 571 to present a realistic picture of exactly how much money will be required to meet those targets, how much will be produced by decreasing cash transfers, how much must come from other sources, and what those sources might be.

- **Debt Increase:** We recommend that the GAO or CBO prepare estimates on the extent to which debts owed to the US government would be expected to increase on an annual basis given the expansion of tied aid proposed by S. 571. Analysts should review patterns of indebtedness in different regions stemming from lending programs of FMS, AID, Exim, CCC, PL-480, ESF and other relevant US government entities or programs.

The foreign assistance working group would welcome further discussion of its position. For additional information, or to continue the discussion contact:

Rachel Bunker or Carol Capps
Church World Service/Lutheran World Relief
543-6336

Marianne Leach
CARE
223-2277

Doug Siglin
InterAction
822-8429

Karen Donovan
Catholic Relief Services
(301) 234-2981

Mr. **Scheuer**. Thank you very much, Ms. Alexander.

Now we'll hear from James Vallette, Director of the Hazardous Exports Prevention Campaign of Greenpeace, U.S.A.

Please take your five minutes.

STATEMENT OF JAMES R. VALLETTE, DIRECTOR, HAZARDOUS EXPORTS PREVENTION CAMPAIGN, GREENPEACE, U.S.A., WASHINGTON, D.C.

Mr. **Vallette**. Thank you, Mr. Chairman.

Thank you very much for the honor of speaking before you today regarding the international trade in toxic wastes and the U.S. Government's position on this trade in the upcoming UNCED talks. I speak here today on behalf of more than three million members of Greenpeace world-wide in over 26 countries.

As you know, in June 1972, the United Nations Conference on the Human Environment adopted a declaration on the human environment in Stockholm, Sweden. The stated goal of this declaration and its 26 principles is to inspire and guide the peoples of the world in the preservation and enhancement of the human environment. Principle 26 of this declaration says that, "States have the responsibility to ensure that activities within their jurisdiction are controlled, do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction."

For 20 years, the world's heavily industrialized countries have failed to translate this basic agreed principle into concrete law, and nowhere is this failure more evident than in the international toxic waste trade. Drafters of the 1972 Stockholm declaration surely would have been stunned by today's massive and growing trade in poisons. Few in 1972 could have envisioned the city of Baltimore negotiating with the People's Republic of China to dump the city's sewage sludge in Tibet, but that is today's reality. Few would have believed the crazy journey of the New York garbage barge around the Caribbean, or that of the Khian Sea, a ship loaded with incinerator ash from Philadelphia that spent 27 months on the high seas, searching for any country to take its deadly cargo.

This deadly business exists today under the watch of the same countries which agreed to ensure that activities within their control do not damage the environment of other States. The challenge for today is to make the 1992 UNCED conference meaningful and not to simply update the high-minded rhetoric of the 1972 conference. If rhetoric is not accompanied by action, the process is global "greenwash."

One way to avoid political greenwash is to use the Brazil conference to finally outlaw the international trade in toxic wastes. At least 83 countries now ban waste imports. The only countries that want the waste trade to continue are heavily industrialized and rich. Less industrialized countries do not want the U.S.' wastes at any price, so why not ban waste trade at the 1992 UNCED conference?

There are three major obstacles to getting a global waste trade ban, as we see them. One is current U.S. Government policy, which is very similar to European Community policy; the second is the Basel Convention on Hazardous Wastes, which was signed in 1989;

and the third is recycling loopholes that have been built into the Basel convention, U.S. legislation, and proposed legislation.

Waste traders have been unchecked by the Bush and Reagan Administrations. The garbage barge returned to New York in 1987, but it's still completely legal under Federal law for anyone to load a ship with incinerator ash or garbage or toxic sewage sludge and dump it in any other country in the world without that government's permission. The export of wheat is actually more difficult than the export of toxic garbage.

The terrible impact of legal U.S. waste exports has become obvious. We've catalogued thousands of waste trade schemes over the past five years in our publication "The Waste Trade Inventory." This is our fifth edition of it. We submit it to the committee not for the record, because I want to spare you printing costs, but we have the waste trade update, which I would like to submit for the record. This is our newsletter that updates current policies and waste trade schemes.

Yesterday the Bush Administration announced that it has drafted new legislation on waste trade, implementing the terms of the Basel convention. This proposed legislation would allow waste exports to continue to countries with whom the U.S. has a bilateral agreement, but it would also exempt scrap metals exports from any export regulation. The Basel convention does not prevent damage to the environment of other States, as the U.N. declaration on the environment requires, and neither would President Bush's proposed waste trade legislation.

The Basel convention on waste trade signed in Basel, Switzerland, in 1989 simply globalizes existing rules used in the U.S. and Europe. Prior notification and consent of the importing countries are Basel's only real requirements, but as people living near dump sites from South Africa to Brazil to Taiwan and elsewhere have discovered, the status quo does not prevent U.S. toxics from poisoning people abroad. Earlier this year, African government officials gathered in Bamako, Mali, to sign a treaty banning many forms of hazardous imports into Africa, including toxic wastes. This so-called Bamako convention was Africa's direct response to the Basel convention's failure to ban waste shipments from industrialized to less industrialized countries.

Mr. Wawa Leba of the Organization for African Unity explained in January, "After Basel, Africans realized that we would have to take the responsibility for protecting our own continent, as it was clear that many industrialized nations were unwilling to help us do so." The OAU is not fighting waste trade alone. Since 1986, as I said, at least 83 countries have implemented national waste import bans, and the European Community has banned the export of hazardous wastes to 67 African, Caribbean, and Pacific countries.

However, we're seeing a new effort within the Bush Administration and the European Community—and I think we'll see this duplicated in UNCED, dealing with the topic of hazardous wastes—to totally exempt scrap metals from any sort of regulation principles. Yesterday's proposal by the Bush Administration totally exempts shipments of scrap metals when they're exported solely for recycling, but the export of wastes, particularly scrap metal waste, to Third World smelters is the most deadly and extensive trend in today's waste trade. Claiming a recycling pretext is a very easy way to disguise economically motivated waste export. Recycling usually implies an environmentally sound activity, but where hazardous wastes and scraps metals are concerned, it's usually a very deadly and dirty business.

Third World waste smelters are notorious polluters. Many in Brazil have caused severe led contamination of smelter workers' blood. In Taiwan, as revealed in the recent PBS documentary, "Global Dumping Ground," a company called Acme operates a lead smelter, which, until last year, burned used batteries from the United States and Japan. A local doctor discovered that of 64 workers at the plant, 31 had lead poisoning. Lead emissions were so prevalent that children attending school downwind of Acme had to wear cloth masks over their mouths.

The severe impact on the health of local workers and children forced Eugene Chien, the head of Taiwan's Environmental Protection Agency, to ban all used battery imports in 1990. Chien told PBS the lesson he's learned is, "Don't import from the United States; it causes too many problems for us." "The scrap metal recycling industry," said Chien, "is no good for our country's health. It causes so much of a problem with air pollution, water pollution, and very serious damage to our rivers."

If the United States Government goes to UNCED 1992 promoting the Basel convention and a free open trade in scrap metals rather than a total global waste trade ban, it will be tacitly arguing that the strong environmental principles agreed in 1972 are no longer acceptable in 1992. Today's dirty waste trade business directly contradicts the Stockholm declaration principle that no country should poison another, with or without that country's consent.

Greenpeace urges Congress to tell the Bush Administration that the Basel convention is not enough. The only way to protect people abroad from U.S. poisons is to completely ban the export of wastes. Thank you.

[The prepared statement of Mr. Vallette follows:]

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WASHINGTON • WORLD PARK BASE — ANTARCTICA • ZURICH

GREENPEACE

Greenpeace USA • 1436 U Street NW • Washington DC 20009 • Tel (202) 462-1177
Tlx 89-2359 • Fax (202) 462-4507

TESTIMONY OF

GREENPEACE

REGARDING THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

BEFORE THE NATURAL RESOURCES, AGRICULTURE RESEARCH AND
ENVIRONMENT SUBCOMMITTEE

SCIENCE, SPACE AND TECHNOLOGY COMMITTEE

U.S. HOUSE OF REPRESENTATIVES

MAY 7, 1991

Mr. Chairman and Members of the Committee:

Thank you for inviting Greenpeace to speak before your committee regarding the international trade in toxic wastes, and the U.S. government's position on this trade in the upcoming United Nations Conference on the Environment and Development (UNCED), which will be held in Brazil in 1992. I speak here today on behalf of more than three million members of Greenpeace worldwide.

In June 1972, the United Nations Conference on the Human Environment adopted a Declaration on the Human Environment, in Stockholm, Sweden. The stated goal of the Declaration and its 26 principles was "to inspire and guide the peoples of the world in the preservation and enhancement of the human environment."

Principle 26 of this Declaration says that **"States have... the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction."**

For twenty years, the world's heavily industrialized countries have failed to translate this basic agreed principle into concrete law. Nowhere is this failure more evident than in the international toxic waste trade.

Drafters of the 1972 Stockholm Declaration surely would have been stunned by today's massive and growing trade in poisons. Few in 1972 could have envisioned the city of Baltimore negotiating with the People's Republic of China to dump the city's sewage sludge in Tibet, but that is today's reality. Few would have believed the crazy journey of the New York garbage barge around the Caribbean, or that of the Khian Sea -- a ship loaded with incinerator ash from Philadelphia that spent 27 months on the high seas, searching for any country to take its deadly cargo,

This deadly business exists today, under the watch of the same countries which agreed to 'ensure that activities within... their control do not cause damage to the environment of other States.' If political rhetoric has meaning -- indeed, if international declarations on the environment mean anything -- then the international waste trade must be banned. This business can not avoid damaging the environment of other countries.

The challenge for today's lawmakers is to make the 1992 UNCED Conference meaningful -- and not to simply update the high-minded rhetoric of the 1972 conference; if rhetoric is not accompanied by action, the process is global "greenwash."

One way to avoid political greenwash is to use the Brazil conference to finally outlaw the international trade in toxic wastes. At least 83 countries currently ban waste imports. The only governments that want it to continue are heavily industrialized and rich. Less industrialized countries do not want the U.S.'s wastes, at any price. So why not ban waste trade at the 1992 UNCED conference?

OBSTACLES TO A GLOBAL WASTE TRADE BAN

1. Current U.S. Government Policy

Waste traders have been unchecked by the Bush and Reagan Administrations. The garbage barge returned to New York in 1987. The Khian Sea dumped its toxic load from the U.S. somewhere around the Indian Ocean in 1988. But it is still completely legal under federal law for anyone to load a ship with incinerator ash, garbage, toxic sewage sludge, or radioactive waste and dump it in any other country in the world, without that country's permission. The export of wheat is more difficult than the export of toxic garbage.

Wastes officially classified as "hazardous" -- which are less than a quarter of all wastes generated in the U.S. -- may be exported when approved by the importing government. Exports of these wastes continue to rise, particularly to Canada, Brazil and Mexico and Asia. In 1986, the EPA received 258 waste export applications. Last year, EPA received over 557.

The terrible impact of legal U.S. waste exports has become obvious. Here are some examples of environmental ruin abroad caused in part by U.S. waste exports, as described in Greenpeace's recently updated 400-page Waste Trade Inventory.

* Last year, Greenpeace took samples from a stream flowing from a waste smelter near Fredville, South Africa that imported over 150,000 pounds of mercury wastes from the New Jersey company, American Cyanamid. Laboratory tests found some of the highest levels of mercury pollution ever recorded. Fredville villagers

-- most of whom have moved to this village in the past year to escape violence in Natal -- rely on this contaminated stream for bathing, washing and feeding their animals. Public outrage has forced American Cyanamid to suspend its shipments to South Africa, but the people of Fredville continue to bear the burden of the U.S.'s open door to waste exports.

* Residents of Blainville, Quebec, have evidence of massive pollution discharges by the world's largest importer of U.S. wastes -- the Stablex heavy metals waste landfill.

* A 3,000 ton of ash from Philadelphia remains piled on and near a beach in Haiti. The ash, abandoned by the Khian Sea in February 1988, has outlasted six goverments in Haiti. The mayors of Port au Prince and Gonaives, Haiti, are pressuring U.S. officials to return the ash to its sender.

Yesterday, the Bush administration announced that it has drafted new legislation on waste trade, implementing the terms of the Basel Convention. This proposed legislation would allow waste exports to continue to countries with whom the U.S. has a bilateral agreement. It would also exempt scrap metals exports from any export legislation.

The Basel Convention does not "prevent damage to the environment of other States," as the UN Declaration on the Environment requires, and neither would President Bush's proposed waste trade legislation.

2. The Basel Convention

The Bush administration's embrace of the Basel Convention is a marraige with the status quo. The Basel Convention on waste trade, signed in Basel, Switzerland, in March 1989, simply globalizes existing rules used in the U.S. and Europe. Prior notificiation and consent of the importing country are Basel's only real requirements.

As people living near dumpsites -- from South Africa to Brazil to Taiwan -- have discovered, the status quo does not prevent U.S. toxics from poisoning people abroad. Earlier this year, African government officials gathered in Bamako, Mali, to sign a treaty banning many forms of hazardous imports into Africa, including toxic wastes. This so-called Bamako Convention was Africa's direct response to the Basel Convention's failure to ban waste shipments from industrialized countries to the developing world.

Mr. Wawa Leba of the Organization for African Unity explained in January, "After Basel, Africans realized that we would have to take the responsibility for protecting our own continent as it was clear that many industrialized nations were unwilling to help us do so."

The Organization for African Unity is not fighting waste trade alone. Since 1986, at least 83 countries have implemented national waste import bans. And the European Community has banned the export of hazardous wastes to 67 African, Caribbean and Pacific countries.

3. Recycling Loophole

The Bush administration proposed legislation also exempts "shipments of scrap metals when they are exported solely for recycling." This exemption allows the continuation and expansion of the most deadly trend of today's waste trade.

Claiming a recycling pretext is an easy way to disguise economically motivated waste export. Recycling usually implies an environmentally sound activity, but where hazardous wastes and scrap metals are concerned it is often a very deadly and dirty business.

Millions of tons of wastes are exported for "recycling" each year to non-ferrous metals waste smelters in Asia and Latin America. Toxic wastes are burned there to extract selected metals from imported wastes -- but the wastes commonly contain dangerous levels of toxic heavy metals and chlorinated contaminants which are released into air emissions, or into incineration residues which are dumped on the ground.

Third World waste smelters are notorious polluters. According to the Brazilian environmental group, OIKOS, a waste importing smelter near Sao Paolo, run by a company called Produquimica, has severely damaged the health of its workers. OIKOS obtained evidence of smelter workers bleeding from the nose, coughing up blood and even dying from the workplace.

In Taiwan, as docmented in the recent PBS documentary, Global Dumping Ground, a company called Acme operates a lead smelter which, until last year, burned used batteries from Japan and the United States. A local doctor discovered that, of sixty-fouir workers at the plant, thirty-one had lead poisoning. Lead emissions were so prevalent that children attending school downwind of Acme had to wear cloth masks over their mouths.

The severe impact on the health of local workers and childed forced Eugene Chien, the head of Taiwan's Environmental Protection Agency to ban all used battery imports in 1990. Chien told the CIR that the lesson he's learned is "don't import from the United States -- it causes too many problems for us." The scrap metal recycling industry, said Chien, "is no good for our country's health... It causes so much of a problem with air pollution, water pollution, and very serious damage to our rivers."

CONCLUSION

If the U.S. government goes to UNCED 1992 promoting the Basel Convention rather than a global waste trade ban, it will be tacitly arguing that the strong environmental principles agreed in 1972 are no longer acceptable in 1992. Today's dirty waste trade business directly contradicts the Stockholm Declaration's principle that no country should poison another, with or without that country's consent.

Greenpeace urges Congress to tell the Bush Administration that the Basel Convention is not enough. The only way to protect people abroad from U.S. poisons is to completely ban the international trade in wastes. Thank you.

GREENPEACE

Waste Trade Update

VOLUME 4, ISSUE 1 – MARCH 22, 1991

Waste Trade Publications Coordinator:
Heather Spalding - USA

Waste Trade Campaigners:
Herbert Schaupp - Austria

Yves Corriveau - Canada

Anita Fokkema - EC

Matthias Voigt - Germany

Andreas Bernstorff - Germany

Paola Biocca - Italy

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(European Coordinator)

Marcie Mersky - Guatemala

John Arends - The Netherlands

Stefan Weber - Switzerland

Madeleine Cobbing - U.K.

Kenny Bruno, Ron Robinson
Greenpeace U.S.A. - Boston

Ann Leonard, Connie Murtagh
Kim Roos, Jim Vallette
Greenpeace U.S.A. - Washington

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AFRICA ADOPTS SWEEPING MEASURES TO PROTECT CONTINENT FROM TOXIC TERRORISM

On January 29, African nations adopted a treaty which will close the continent to all forms of hazardous waste trade. The treaty was convened under the auspices of the Organizations of African Unity (OAU) – an intergovernmental political organization of African countries except South Africa and Morocco. Ministers from the OAU met in Bamako, Mali and adopted the "Bamako Convention on the Ban of the Import into Africa and the Control of Transboundary Movement and Management of Hazardous Wastes within Africa" which:

- bans the import of hazardous waste including radioactive waste;
- bans the import of hazardous substances which have been banned, cancelled or refused registration, or voluntarily withdrawn in the country of manufacture for human health or environmental reasons;
- bans the dumping and ocean incineration of waste;
- requires hazardous waste generation audits;
- imposes strict, unlimited, joint and several liability on hazardous waste generators;
- calls for the issue of the transfer to Africa of polluting technologies to be under systematic review;
- and commits African states to "strive to adopt and implement the preventative, precautionary approach to pollution problems which entails...preventing the release of substances which may cause harm to humans or the environment without waiting for scientific proof regarding such harm."

This Convention represents what is probably the most progressive hazardous waste legislation in the world. It resulted as Africa's direct response to the Basel Convention's failure to ban waste shipments from industrialized countries to the developing world (see related article). Mr. Wawa O. Leba of the OAU Secretariat in Addis Ababa, Ethiopia explained, "After Basel, Africans realized that we would have to take the responsibility for protecting our own continent as it was clear that many industrialized nations were unwilling to help us do so."

Mr. Lucas Tandap of the United Nations Economic Commission of Africa (ECA) stated further that "we are very proud of this effort and it is our sincere hope that this convention will serve as a model for other regions of the developing world wishing to act against the production and dumping of hazardous wastes."

In Bamako the Convention was signed by 12 OAU countries: Benin, Burkina Faso, Burundi, Central African Republic, Cote d'Ivoire, Egypt, Guinea, Libya, Niger, Mali, Senegal and Togo. The Bamako Convention will enter into force after the necessary 10 African countries ratify it. All African countries, with the exception of South Africa, are eligible to sign and ratify the convention. *(Source: Bamako Convention, OAU Press Release, January 29, 1991.)*

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- **Poland Suffers Waste Invasion**
- **Canadian Waste Import Firm Sold to U.S. Company**
- **U.S. City Tries to Ship Sludge to Tibet**
- **Nuke Wastes Returned to Germany**
- **Riot Police Squash Peaceful Anti-Waste Trade Protest in U.S.**

••• NOTES FROM THE EDITORS •••

People often ask Greenpeace where in the Third World wastes are being shipped for disposal. Fortunately, since 1988 we have not witnessed any country outside North America or western Europe openly import any waste for dumping in a landfill or burning in a toxic waste incinerator.

So what is the problem, you might ask? Why is Greenpeace trying to stop dumping that is not really happening and that most Third World countries ban?

Most Waste Trade is Totally Unmonitored and Unregulated

Lawmakers in North America and Europe have exempted a lot of toxic waste from being regulated as hazardous waste. These exemptions allow such wastes to escape the notification and approval procedures required for wastes which are officially classified as "hazardous."

The United States, for example, does not even monitor the export of household garbage, ash from garbage incinerators, and most radioactive waste, because these wastes are not classified as "hazardous." The infamous wandering journeys of the Khian Sea (loaded with incinerator ash from Philadelphia) and the Mobro "garbage barge" (carrying trash and medical waste from New York) were legal under U.S. law.

Anyone, today, could load a ship with contaminated garbage or incinerator ash or sewage sludge in any U.S. or European Community port, sail this ship to any other country in the world, and dump the cargo – without the importing country's consent, and without violating U.S. or E.C. law.

Waste Shipments to the Third World are Actually Increasing, Masked by the Label of "Recycling"

Greenpeace's examination of waste trade proposals has revealed a recent and alarming trend toward claiming a pretext for recycling in waste exports. This trend is actually being promoted by lawmakers in Europe and North America.

Members of the European Community are trying to introduce loopholes in a proposed waste export regulation that would authorize wastes bound for "further use" in any country in the world.

In the recent Greenpeace report Poland: The Waste Invasion, a full 62% of those schemes where the fate of the waste is recorded claimed some sort of "further use" pretext. Similarly, in Greenpeace's "Inventory of Waste Trade in the Caribbean Region," the figure is 63%.

Claiming a recycling pretext is an easy way to disguise economically motivated waste export. Recycling usually implies an environmentally sound activity, but where hazardous wastes are concerned it is often a very deadly and dirty business.

Millions of tons wastes exported for "recycling" are shipped to non-ferrous metals waste smelters in Asia and Latin America. Toxic wastes are burned there to extract selected metals from imported wastes – but the wastes commonly contain dangerous levels of toxic heavy metals and chlorinated contaminants which are either released into air emissions, or into incineration residues which are dumped on the ground.

Third World waste smelters are notorious polluters. The Thor Chemical mercury smelter in South Africa, which burns wastes from Europe and North America, has caused extraordinarily high levels of mercury contamination in a nearby stream.

According to the Brazilian environmental group, OIKOS, a smelter near Sao Paolo, run by a company called Produquimica, has severely damaged the health of its workers. OIKOS obtained evidence of smelter workers bleeding from the nose, coughing up blood and even dying from the workplace.

In Taiwan, as documented in the Center for investigative

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Reporting's (CIR) recent publication, Global Dumping Ground, a company called Acme operates a lead smelter which, until last year, burned used batteries from Japan and the United States. A local doctor discovered that, of sixty-four workers at the plant, thirty-one had lead poisoning. Lead emissions were so prevalent that children attending school downwind of Acme had to wear cloth masks over their mouths.

This severe impact on the health of local workers and children forced Eugene Chien, the head of Taiwan's Environmental Protection Agency to ban all used battery imports in 1990. Chien told the CIR that the lesson he's learned is "don't import from the United States -- it causes too many problems for us." The scrap metal recycling industry, said Chien, "is no good for our country's health... It causes so much of a problem with air pollution, water pollution, and very serious damage to our rivers."

Greenpeace is just beginning to document the full impact of waste exports from North America and Europe to Third World recyclers. Expect to hear more from us on this massive waste trade in the near future.

Waste Trade is Expanding Between Industrialized Countries

Canada remains the United States' biggest toxic waste dumpsite. U.S. waste generators ship wastes to Canada for the same reasons that other companies ship to the Third World: lower waste disposal costs and fewer disposal regulations. It is simply cheaper and easier to dump wastes in Canada than in the United States.

The same situation applies to the European Community, where poorer areas like eastern Germany, and rural parts of France, Spain and the U.K. have become major dumping grounds for the rest of the E.C. Waste shipments to these regions have increased as the rest of the world implements waste imports bans.

As long as wastes can be exported to regions of economic, political and regulatory weakness, waste generators will continue their ever-increasing production of toxic waste. National waste export bans will reduce waste generators' ability to avoid responsibility for their pollution, and will help force industries to implement the only real solution to the world's waste crisis: clean production.

Industrialized Countries Refuse to Close Their Borders to Exports

When Greenpeace began its campaign against the international waste trade, just three countries banned waste imports; today, at least 83 have implemented total waste import bans. Despite such strong opposition, waste merchants have redoubled their efforts to dump wastes on the Third World. And industrialized countries continue to demonstrate little desire to curtail these efforts.

Only two countries in the industrialized North ban waste exports to the developing world -- Norway and Italy. As long as the rich world's borders remain open to the export of toxic waste, the rest of the world remains vulnerable to the threat of toxic terrorism.

Hundreds of waste brokers based in cities like Geneva, Washington, Frankfurt and Tokyo continue to hatch plots to dump Northern toxics on the world's less industrialized countries.

Waste brokers feel that national import bans in the Third World are nearly meaningless, and that these bans will be lifted, if the price is right. This is why we see the recurrence of schemes targeting countries like Papua New Guinea, Poland, Jamaica, and Guinea -- countries that have strong policies against waste imports and continue to refuse the overtures of the merchants of poison.

*** FEATURE STORIES ***

GREENPEACE RELEASES FIFTH EDITION OF WASTE TRADE INVENTORY

On February 14, the Greenpeace Waste Trade Campaign released a 420 page report documenting waste trade around the world. The fifth edition of The International Trade in Wastes: A Greenpeace Inventory catalogues over 1000 attempts to export over 160 million tons of waste since 1986. The Inventory reveals the efforts of heavily industrialized countries to maintain an open global trade in waste and the efforts of poorer countries to battle this deadly trade.

Greenpeace estimates that waste traders have actually exported over ten million tons of waste since 1986 -- including over five million to the so-called "developing" world.

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While the Inventory is the world's most comprehensive publication on this deadly industry, it probably reveals only the "tip of the iceberg." Much toxic waste is exported from heavily industrialized countries legally though totally unmonitored and unregulated.

The report further reveals that the latest trend in the international waste trade is the promotion of waste trade cloaked under the agreeable name of "recycling."

The Inventory is anything but light reading -- it is a reference guide to a growing deadly trade. Greenpeace hopes that the document will lead to a better understanding of the waste trade industry and why it must stop.

To order a copy of The International Trade in Wastes: A Greenpeace Inventory, please send a check for US$20.00 payable to "Greenpeace Waste Trade Project" to Greenpeace Waste Trade Project, 1436 U Street, NW, Washington, DC 20009, USA.

GREENPEACE WASTE TRADE CAMPAIGN EXPANDS TO INCLUDE OTHER HAZARDOUS EXPORTS

Toxic waste is only one piece of the global movement of hazardous industries. Transnational corporations routinely export poisonous products and hazardous technologies to developing countries.

It has become very apparent that an environmental victory in one country could spell an environmental and health disaster for the people of another country. European and North American corporations are pushing their poisons and factories all over the world, even after these polluting practices have been banned in their home countries.

Greenpeace is identifying and investigating as many cases of hazardous exports as possible. We are particularly interested in cases where a company or agency is exporting a product or process which is banned, restricted, or obsolete in the country of manufacture.

Greenpeace is concerned about hazardous exports because:

- asbestos, a carcinogen virtually banned in most industrialized countries since the Seventies is still routinely used even in schools and hospitals in many developing countries;
- leaded gasoline, on its way out in North America and western Europe, is still manufactured in those regions and exported abroad. Lead, a major air contaminant in many large cities is the cause of nervous disorders and loss of intelligence in children;
- pesticides which are banned, restricted, or unregistered in the U.S. are still manufactured for export by U.S. companies, a practice which results in widespread poisoning of farmers in developing countries;
- posing as "environmental service" companies, western waste disposal firms who have done business by dumping on communities in the industrialized countries, are preparing to enter eastern European markets;
- overseas military bases are the source of enormous quantities of hazardous wastes and are rarely subject to environmental regulations or enforcement and
- free Trade agreements and external debt have reduced the ability of many countries to reject foreign direct investments, even if those investments cause environmental or public health damage.

Greenpeace appreciates hearing about all kinds of hazardous export projects; past, present or future, rejected, actual or proposed. We are also interested in examples of clean production and clean development projects that have occurred as alternatives to polluting projects.

The success of Greenpeace's Waste Trade Campaign has depended on the readership of this Update and the information you have shared with us. Please continue to help us with information and tips about all types of hazardous exports from the industrialized world.

Please write to:

Kenny Bruno
Hazardous Exports Prevention Project
Greenpeace
709 Centre St.
Jamaica Plain, MA 02130

Phone: (617) 980-0300
Fax: (617) 983-0909

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LATIN AMERICAN AND CARIBBEAN ENVIRONMENT MINISTERS, CENTRAL AMERICAN PRESIDENTS, VOW TO BAN WASTE IMPORTS

At the Seventh Ministerial Meeting on the Environment in Latin America and the Caribbean, held in Port-of-Spain, Trinidad & Tobago in October 1990, ministers pledged to adopt strong measures to stop the onslaught of waste trade proposals targeting their region.

Countries represented at the meeting included Argentina, The Bahamas, Barbados, Belize, Bolivia, Brazil, Costa Rica, Cuba, Chile, Dominica, The Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, St. Lucia, St. Vincent & the Grenadines, Trinidad & Tobago, Uruguay and Venezuela.

The environment ministers vowed to "protect the region by prohibiting the entry, under any circumstances, of all types of hazardous wastes, toxic and radioactive waste."

This position was echoed by the presidents of six Central American countries, who met in Puntarenas, Costa Rica, on December 15-17. The presidents of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama signed an agreement calling for new laws prohibiting the import of toxic wastes under any circumstances.

Every Latin American and Caribbean country has broadly supported the concept of banning the region to waste imports. At least nineteen countries in the region have legally-binding policies prohibiting all waste imports. However, most have no binding laws declaring their countries off-limits to foreign wastes, and Greenpeace has noticed that the region has become a favorite target of U.S.-based waste brokers.

The next logical step for the Caribbean and Latin American region is to adopt a comprehensive and legally-binding ban, similar to those included in the Lome Convention and the recently signed Bamako Convention (see above story) thereby closing off another vast area of the world to the deadly waste trade business. *(Sources: Greenpeace International, International Environment Reporter, December 19, 1990.)*

SOUTH AFRICA "BANS WASTE IMPORTS" BUT ALLOWS THEM TO CONTINUE

Following a highly-charged debate on waste imports in South Africa, the government's environment minister, Gert Kotze, announced in August 1990 that South Africa is off-limits to waste imports.

Greenpeace then contacted the Department of Environmental Affairs to find out how this ban would affect Thor Chemical's mercury waste imports (see above story as well as the feature story "The Gods Must Be Crazy" in the new Waste Trade Inventory). An official with the department explained that while the government's policy was a "total ban" on waste imports, "we don't regard the mercury imported by Thor as a waste. It is a 'raw material.'" This argument was repeated by Bill Visagie, the department's director-general, at an environmental conference in Johannesburg in early November.

Once again, misleading labels of "recycling" are allowing waste traders to circumvent import bans. This reminds us of when toxic incinerator ash from Philadelphia was dumped in Haiti labeled as "fertilizer" and was sent to Guinea as "construction material." Only this time, double-speak is the official policy of the South African government.

Of course, mercury wastes shipped to Thor are not "raw materials." Along with deadly mercury, Thor's waste imports are heavily laced with non-mercury contaminants that are not "recycled" at Thor's South African mercury smelter. For example, between 30-45% of the volume of a typical American Cyanamid mercury waste shipment to South Africa is contaminated with non-recoverable chlorinated toxics. When burned in a smelter, these contaminants likely recombine to form highly-toxic forms of dioxin, which escape the smokestack and fall on the surrounding countryside and villages.

Public opposition to waste shipments to Thor, along with a continuing investigation of the causes for Thor's massive mercury discharges, have caused at least one major waste shipper to stop its waste shipments to South Africa. In January 1991, George Sella, the CEO of American Cyanamid told Rev. Andy Smith, an anti-apartheid activist in the U.S., that Cyanamid has not exported any toxic wastes to Thor since December 1989. Sella, however, would not rule out shipments to Thor in the future.

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THE GLOBAL BATTLE AGAINST WASTE TRADE
A Report from the Front Lines

Bound Brook, N.J., USA, April 14, 1990 -- Club-swinging riot police today broke up a march by environmental, anti-apartheid and labor union groups to protest shipments of mercury wastes from American Cyanamid Co. to South Africa.

Six people were arrested and dragged or carried away. Among them were Peter Bahouth, the executive director of Greenpeace U.S.A., and Bob Coen, a film crew member for a public television program. They were charged with disorderly conduct and later released without bond.

A two-county S.W.A.T. team of 75 police in full riot gear moved in on about 300 marchers as they neared Lederle Laboratories, a division of American Cyanamid Co. Among Lederle's waste products are mercury wastes that are shipped to a South African plant for reclamation. The South African plant, Thor Chemicals Inc., has polluted an adjacent Zulu valley with the toxic mercury.

The marchers, including several South African labor leaders, were trying to deliver an eight-foot-high placard signed by many of the 400 people who had held a peaceful rally with African music and dancing at a nearby soccer field.

Bahouth and others complained that police had reacted with undue force to break up a peaceful protest. "It was a lot of people chanting, that's what it was," Bahouth said. "What happened was like something that would happen in South Africa." Richard Thornburgh, chief of detectives for the Somerset County police department, insisted that people had to be restrained. we weren't there to bust anybody's chops," he said. The shipments and mercury poisoning in a stream behind the plant were disclosed by the Post-Dispatch last November. Last week, a government agency ordered the plant closed until problems are worked out.

Muzi Buthelezi of the Chemical Workers Industrial Union in South Africa said at the rally that it had become the first environmental story to attract front-page attention in his country.

American Cyanamid announced on Friday that it was "examining our mercury waste alternatives . . . We are conducting another worldwide search for other sources to recover and recycle this material."

The company has said that Thor Chemicals, the mercury reclamation plant in South Africa, is the only plant in the world equipped to treat mercury wastes. American Cyanamid also said that it was looking at ways to eliminate mercury in making the engine seals and other rubber like products at Lederle Labs. Saturday's melee took place beneath an underpass on a public road about 150 yards from the plant. Police in black or camouflage fatigues and helmets with shields suddenly moved into formation and began wielding nightsticks to drive the marchers back. Many in the crowd were struck.

The racially mixed crowd finally dispersed amid shouts of "amandla" - the Zulu word for power - after American Cyanamid officials emerged from the plant and accepted the big, wooden placard. They put it on top of a blue Ford station wagon and drove away.

The police attack appeared largely unprovoked. Coen, 31, was arrested while filming people being dragged away. He is a cameraman for South Africa Now, an Emmy Award-winning program shown weekly on 75 public television stations in the U.S. and in many countries. "I was filming and they just took me," he said.

Valerie Kowal, 49, of nearby Bridgewater, was dragged to the ground while standing on the fringe of the march. She was shaking badly afterward and covered with mud as she tried to fix her broken glasses. A 16-year-old boy who tried to befriend Kowal by grabbing the club of a policeman was struck before being dragged away and arrested. He was not identified. Bill Capowski, 24, of New York City, another of those arrested, claimed later that he had done nothing more than carry a sign warning of mercury's dangers.

The riot squad was made up of police from the Somerset County and nearby Middlesex County police departments. Police said those who were arrested had broken through police lines. Nicolas Bissell, Somerset County prosecutor, defended the police action in an interview, saying that it was necessary to protect the plant. "There are things in there that if damaged could cause severe environmental problems," Bissell said. *(Editors' Note: This article originally appeared in the St. Louis Post-Dispatch, April 15, 1990, and is reprinted here with permission of the author.)*

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PROTESTS AGAINST WASTE SHIPMENTS TO SOUTH AFRICA CONTINUE

Bound Brook, New Jersey, was the first of a series of protests against toxic waste shipments to South Africa beginning last April. At Cato Ridge, South Africa, hundreds of environmentalists, farmers, shanty-dwellers and labor activists joined together in what is believed to be the broadest protest against environmental destruction to date in South Africa, marching to the gates of Thor's waste import plant.

The protest was led by South Africa's leading environmental activist group, Earthlife Africa. Earthlife has investigated Thor's plant, and its impact on workers and people living downstream of the mercury smelter. "There are people dependent on that stream for irrigation, swimming, bathing and clothes washing. There is potential for a big disaster," Earthlife's Chris Albertyn told the United Press International in April.

Other protests included a die-in at Cyanamid's South African headquarters near Johannesburg, rallies in Durban and at the U.S. embassy in Pretoria, a march to Thor's U.S. headquarters in Norwalk, Connecticut, and a rally outside Cyanamid's annual shareholder's meeting, in Portland, Maine. In late 1990, hundreds of people belonging to the new environmental letter-writing network, Global Response, sent letters Cyanamid's CEO, George Sella, protesting waste shipments to South Africa. Activist pressure continued in December, when hundreds of schoolchildren, church leaders and other activists braved cold winds in a candlelight vigil outside Cyanamid's world headquarters in Wayne, New Jersey. Keron Williams, a schoolgirl from Newark, New Jersey, said "We came out here for our brothers and sisters in South Africa, because if we don't lift up our voices, they will never get help."

OTHER POLITICAL DEVELOPMENTS

KENYA, NAMIBIA AND ZIMBABWE OPPOSE WASTE TRADE

At a meeting in Nairobi last August, Kenyan Minister for Environment and Natural Resources Dr. Mjoroge Mungai criticized the dumping of hazardous chemical wastes in Africa and called for a total ban on the hazardous waste trade. *(Source: Xinhua English Language News Service, Thursday, August 9, 1990.)*

On June 13, 1990 the Namibian Prime Minister Hage Geingob affirmed that his country would not import waste from abroad. *(Source: Xinhua English Language News Service, Wednesday, June 13, 1990.)*

Zimbabwe's President Robert Mugabe addressed the World Health Organization assembly in Geneva, Switzerland on May 9, 1990 and said that the dumping of waste in the developing world would have a very damaging effect on the health of those countries involved, many of which already faced severe environmental problems. *(Source: West Africa, June 4-10, 1990, pg. 955.)*

CHILE BECOMES THE 83rd COUNTRY TO BAN WASTE IMPORTS OUTRIGHT

On January 31, the Chilean Congress voted unanimously to ban waste imports from other countries. The Congress deemed this action necessary as the United Nations Environment Programme's 1989 Basel Convention on the transboundary movement of wastes did not impede nations from renting or selling areas to deposit such waste as nuclear waste.

The Congress also addressed the problems inherent in waste trade under the guise of recycling, stating that "the recycling of imported waste was a covert way to get rid of toxic waste by industrialized nations."

Chile joins 82 different countries who have closed their borders to waste imports of all kinds. *(Source: Xinhua English Language News Service, January 31, 1991.)*

TURKEY LEGISLATES WASTE IMPORT BAN

In late July, Turkey drafted a bill that would set into law a long-standing Turkish policy against waste imports. Officials said the bill bans the import of hazardous wastes, and that importers would be fined no less than 100,000 U.S. dollars. *(Source: Xinhua English Language News Service, July 31, 1990).*

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CANADA BANS PCB WASTE EXPORTS -- ILLEGAL EXPORTS CONTINUE?

Overseas shipments of PCB-contaminated wastes have been banned under Canadian law. In a statement written on December 13, 1989, Canada's federal Minister of Environment, told waste exporters: "Overseas PCB shipment have been conducted safely for several years: however, as a leading industrialized nation, Canada must take collective responsibility to deal with its own PCB wastes at home. Environment Canada believes that until disposal facilities are available, it is safer to store such wastes rather than ship them to other countries where they might be turned back."

The new policy was implemented largely in reaction to strong protests by people in the United Kingdom against several PCB shipments from Canada in the summer of 1989. PCB waste shipments from Canada to the U.S. were already banned under the terms of a 1986 treaty between the two countries.

Despite this ban, the Canadian electric utility giant, Hydro-Quebec, allegedly shipped PCB-contaminated wastes to the United States in 1989 and 1990. Tens of thousands of liters of PCB-contaminated waste oil from Hydro-Quebec were discovered at a waste transfer station in Niagara Falls. The New York company was Frontier Chemical Waste Process Inc. A joint investigation by Canada and the United States is being carried out regarding the allegedly illegal shipments. *(Source: Greenpeace Canada; Daily Globe and Mail (Toronto), May 11, 1990).*

BASEL CONVENTION UPDATE

On March 22, 1989, negotiations for a global treaty governing the rules of waste trade were concluded in Basel, Switzerland. The so-called Basel Convention was widely criticized by Third World countries for failing to ban the export of wastes from heavily industrialized regions. The convention merely borrowed, and lightly revised, existing laws on waste trade in North America and the European Community.

Basel's failure to confront the problems inherent in the deadly waste trade industry has been widely recognized, and few countries have rushed to ratify the convention. Once twenty countries ratify Basel, it will enter force. Nearly two years after the negotiations concluded, only six countries have ratified Basel. These countries are: France, Hungary, Jordan, Norway, Saudi Arabia and Switzerland.

COUNTRIES THAT BAN WASTE IMPORTS AS OF MARCH 1, 1991

Algeria, Angola, Antarctica (World Ban), Antigua & Barbuda, Bahamas, Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Chile, Comoros, Congo, Djibouti, Dominica, Dominican Republic, Egypt, Equatorial Guinea, El Salvador, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guatemala, Guinea, Guinea Bissau, Guyana, Haiti, Indonesia, Ivory Coast, Jamaica, Kenya, Kiribati, Lebanon, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Papua New Guinea, Peru, Philippines, Rwanda, St. Kitts & Nevis, St. Lucia, St. Vincent & Grenadines, Sao Tome & Principe, Senegal, Seychelles, Sierra Leone, Solomon Islands, Somalia, Sudan, Surinam, Swaziland, Tanzania, Togo, Tonga, Trinidad & Tobago, Tunisia, Turkey, Tuvalu, Uganda, Vanuatu, Venezuela, Western Samoa, Zaire, Zambia, Zimbabwe.

Total # of countries banning waste imports = 83.

Czechoslovakia, Mexico, Poland and Yugoslavia have partial bans on waste trade allowing waste imports for recycling purposes.

*** WASTE TRADE SCHEMES ***

EUROPE

GREENPEACE UNCOVERS WASTE INVASION OF POLAND

Poland's maiden free-market society has spurred not only an influx of Western capital but also a plethora of Western toxic waste shipments exceeding 27,000 tons, earmarked for incineration or dumping.

In a 45-page report with companion film footage, Greenpeace points to 64 known Western waste trade schemes totalling 22 million metric tons, an amount equal to 1,273 pounds of waste for each Polish citizen. Entitled, Poland: The Waste Invasion, the Greenpeace report reveals how a significant portion of waste secretly enters Poland from countries like West Germany, Austria, the United States and Sweden. The document also outlines Poland's waste import ban and how Western waste traders are shipping waste to Poland under the guise of "recycling."

"Since opening their borders to industrial companies from the West, the Poles have been immediately 'rewarded' with the effluent of capitalism, not affluence," said Andreas Bernstorff, a Greenpeace campaigner against waste trade. Greenpeace's report demonstrates that Western interests will exploit any opportunity to dump wastes on less wealthy countries.

Poland's environment ministry has pledged vigilance against waste imports. In July, the Polish government began to enforce a total ban on toxic waste imports, which imposes three year imprisonment on illegal waste traders. Wojciech Swiatek, director of the ministry's inspectorate, said: "We are now able to catch almost every transport. We hope to reduce this soon to zero."

Greenpeace also released film footage of Polish farmers who dismantled an incinerator on a Polish army base, constructed to burn Western wastes. The video also documents a Polish warehouse full of West German wastes shipped in 1988 under the pretext of recycling. The waste was later found to contain dioxin and other deadly compounds.

"The responsibility for halting the waste injury to our Polish neighbors lies with those countries responsible for making the wastes in the first place," said Bernstorff. *(Sources: Greenpeace International, The Independent (London) October 23, 1990.)*

HAMBURG STEELWORKS POLLUTE SILESIAN ENVIRONMENT

Greenpeace Acts to Prevent More Illegal Dumping of Chemical Waste in Poland

Filter dusts containing toxic heavy metals and dioxins from Hamburger Stahlwerke HSW (steelworks in Hamburg, Germany) have been transported to Poland, Greenpeace has discovered in new research.

Under the misleading name "zinc concentrate," 31,000 tonnes of filter dust, contaminated with cadmium, lead, chromium, arsenic and dioxin, have reached Poland since 1989. The company responsible for the toxic waste exports was Handel Transport Abfallverwertung (HTA) of Duisburg, Germany.

25,000 tonnes of the waste have already been processed for recovery of the approximately 20 per cent zinc constituent at the Boleslaw zinc smelting works in Silesia. Boleslaw received 80 marks per tonne of waste that they imported. HTA took back the zinc clinker that was recovered and sold it on the West German market for approximately US$600.00 per metric tonne.

HTA was expected to supply Poland with over 365,000 tonnes in five years.

Environmental damage appears to be extensive in the Boleslaw region. Because the Boleslaw factory operates without waste gas filters, all poisons enter the environment uncontrolled. West European environmental protection laws would have required that all heavy metals and sulfur be extracted systematically in processing and recycling such wastes.

Polish authorities at Szczecin harbor recently intercepted a shipment of 7,100 tonnes of the HTA's dust. The shipment is presently on open dumps near the harbor.

Another 1700 tonnes of HTA waste have been stored in the harbor of Rotterdam since January 18.

Greenpeace activists from Germany and the Netherlands recently informed their respective Environment Ministries of another HTA shipment to Poland and intercepted it en route. The Dutch Ministry of Environment then took samples of the waste in Rotterdam and analyzed them. The analysis proved that the shipment contained only 20% zinc and was poisoned with heavy metals like: copper, nickel, mercury, chromium, cadmium and arsenic. The percentages of cadmium and arsenic were 8 to 10 times above the legal limit of chemical waste, and the amount of chromium was 22 times greater than acceptable levels.

Because HTA has no license to store the chemical waste, the zinc residues remain Rotterdam. The German Ministry of Environment is deciding how best to treat the waste and where it must be shipped.

The shipment of 1,700 tonnes of waste is being held by the port police in Rotterdam. Both the Polish and Dutch authorities are demanding its transport back to Germany - so far in vain.

Greenpeace campaigner Andreas Bernstorff said, that this was "the biggest and most malicious scheme I know out of 32 waste trade projects from Germany to Poland either attempted or carried through in the last two years. The

Poles have enough problems, they need help for solving them, and they can do perfectly well without our toxic waste."

On March 4, the Polish Minister of the Environment met with his German counterpart, Klaus Toepfer, in Bonn and called for reimportation of the dusts.

Toepfer agreed that the wastes should be returned back to Germany as "new Polish legislation does not allow the processing of such materials any longer."

Bernstorff said: "now we want to see legal consequences by the government, to date there is no legal instrument to force the companies to take their toxics back. There is not even a legal instrument to force industry to respect the Polish import ban."

GREENPEACE CATCHES NUCLEAR WASTE SHIPMENT TO SCOTLAND, FORCES RETURN TO GERMANY

On January 14, 1991, Greenpeace activists from the Netherlands and Germany uncovered a shipment of 26 spent nuclear fuel rods which were on their way to Scotland. They had originally come from a German nuclear research reactor and were intended to be exported to Dounreay, a nuclear reprocessing plant in Northern Scotland.

The radioactive shipment was intercepted by the Dutch ministry of the environment, who subsequently ordered the shipment back to Germany. Dock workers in Rotterdam refused to load the waste onto a non-purpose built ship which would have been a violation of an International Transport Workers Federation resolution adopted in 1990.

"This was the first time ever that nuclear waste had to 'return to sender'," said Kerstin Eitner, Greenpeace's international reprocessing campaign coordinator. "We hope that in the future nuclear power plants will keep their waste where it was produced in the first place in order to avoid 'ghost shipments' which nobody wants to deal with." There was a fair chance, she claimed, that dock workers in other countries would follow suit and refuse to handle radioactive cargo on non-purpose built ships as well.

Greenpeace also pointed out the specific risks associated with shipments that contain weapons grade material. Spent fuel from research reactors, as opposed to light water reactors, consists of highly enriched uranium (90.5 %) which is suitable for the fabrication of nuclear weapons. "It is lunacy to transport this kind of material in these times," said Eitner. "If Greenpeace is able to find these shipments, so are terrorists." *(Sources: Greenpeace Germany, Greenpeace Netherlands, Greenpeace U.K.)*

SWISS TOXIC WASTE "O.K." BY U.K. STANDARDS

Switzerland does not worry too much about its increasing waste production. That is because it has an open dump ready and willing to whisk away its toxic troubles. The dump is in Wales in the United Kingdom where thousands of tonnes of Swiss waste have been landfilled.

Swiss environmental regulations would have required the Swiss firm, Refonda, to pay high disposal costs for their toxic waste. But, in November 1989, Refonda opted for the quick and dirty method of waste disposal. They exported 503 tonnes of aluminium filter dust to a landfill in Swansea, U.K., run by Max Recovery.

The waste was held up en route in the Netherlands by Rotterdam harbor police who suspected dangerously high levels of toxic chemicals and heavy metals in the dust. The shipment was again delayed by Swansea City Council pollution control officers when it arrived in the U.K. After months of negotiations with the Swansea City Council and Her Majesty's Inspector of Pollution, Max Recovery was given permission to landfill the waste.

Greenpeace U.K. waste trade campaigner Madeleine Cobbing said, "I am shocked that Switzerland is using the U.K. as its dustbin and shocked that the U.K. is allowing it to do so. In the U.K. we think of Switzerland as a clean country. Now it seems this reputation is only maintained at the expense of dumping on the dirty man of Europe."

An additional 500 tonnes of filter dust is reportedly on its way to Max Recovery from Refonda. *(Source: Greenpeace U.K.; Wales on Sunday, January 27, 1991.)*

GREENPEACE WASTE TRADE UPDATE - MARCH 22, 1991

Other European Schemes, in brief...

In a cooperative joint venture to deal with mounting waste disposal problems, Sweden and Norway plan to ship each other various kinds of toxic wastes and to sha[illegible] [illegible]at of a new hazardous waste treatm[illegible] [illegible]ndle industrial waste. [illegible] [illegible]een vigor[illegible] [illegible]ent fac[illegible] [illegible] domestic was[illegible] [illegible]ity will be located in Nor[illegible] [illegible]ans to accept Norwegian inorganic toxic [illegible] at one of its sites. *(Source: International Environment Reporter, January 16, 1991.)*

CANCELLED

Toxic European chemical wastes shipped to the delta village of Koko, Nigeria, between 1987 and 1988 -- and forced by the Nigerian government to return to Europe in the summer of 1988 aboard the unwelcome waste trading ship Karin B -- may soon be burned in the United Kingdom. The British firm, ReChem International, plans to receive the waste but refuses to disclose where they will burn it. *(Source: Guardian, January 31, 1991.)*

NORTH AMERICA

U.S. GROUP PURCHASES MAIN CANADIAN DUMP FOR U.S. WASTES

Canadian Agency Shares Pollution Data With U.S. Buyers, But Not With Local Citizens

The largest importer of U.S. wastes in Canada has been sold, ironically, to a U.S. company. Stablex Co., which operates a massive landfill in Blainville, Quebec -- near Montreal -- was purchased by the Concord Resources Group of Pennsylvania in January. Now, the profits to be made from shipping wastes to Stablex will be kept entirely in the United States.

Residents near Stablex's Blainville landfill believe that it is contaminating the local water table. The Quebec Environment Department "Green Police" have been investigating pollution caused by the Blainville toxic waste dump since 1989, but the department refused to publicly disclose the results of repeated testing of waste discharges from the landfill. While government officials kept test results from the public, they divulged their secret data to the Concord Group before Concord bought Stablex.

Greenpeace Canada waste trade campaigner Yves Corriveau asked, "How is it that a foreign company can have access to files from the Ministry of Environment, while a group of local citizens who live near the potential environmental catastrophe is refused access?" In 1988, over 70% of the waste dumped at Stablex came from the United States.

On February 15, 1991, the Environment Department finally publicized a summary of its findings. The report announced that the Stablex runoff posed no short-term risk to the health of the citizens, but according to Corriveau, the department "refused to disclose at least eighty percent of their information."

The Blainville citizens' group, ARBRE has filed suit in Quebec's Access to Information Court against the Ministry of Environment for its refusal to inform the public about the analysis. *(Sources: Greenpeace Canada; La Presse (Montreal), January 31, 1991; La Gazette (Montreal), February 1, 1991; Globe and Mail (Toronto), February 4, 1991.)*

U.S. AGENCIES PROSECUTE ILLEGAL WASTE EXPORTERS

U.S. government investigators are finally beginning to enforce waste export regulations which are believed to be widely ignored by waste generators and brokers. These regulations do not ban waste exports, but require hazardous waste exporters to obtain the prior approval of importing countries.

In 1990, U.S. government agencies took action against several actual and planned illegal waste exports to Canada, Mexico, Spain and Equatorial Guinea.

Last March, the U.S. Environmental Protection Agency (EPA) issued the first four fines ever against violators of hazardous waste export regulations. The companies fined for illegal exports were Triangle Metallurgical of Granite City, Illinois; Beelman Truck Co. of St. Libory, Illinois; Dow Corning Corp. of Midland, Michigan; and Pennwalt Corp. of Wyandotte, Michigan.

Triangle Metallurgical was assessed $41,500 for sending lead and cadmium-contaminated waste to Viscaya, Spain without receiving prior approval from the Spanish government. Beelman truck was fined $11,000. The other companies paid smaller fines for exporting waste to Ontario without prior notification to the Canadian government. *(Sources: EPA Environmental News Release, Region V, Chicago, Illinois, March 13, 1990; Environment Today, Vol 1, No. 3., May 1990.)*

In April, the EPA proposed fining a Stratford, Connecticut-based company Textron Lycoming $254,728 for shipping hazardous metal sludge in Canada without obtaining prior consent. The EPA charged that the firm shipped at least 834 truckloads of metal hydroxide sludge, a hazardous byproduct of its manufacturing process, to the Stablex toxic waste dump near Montreal (see related story). The sludge passed through a Vermont border crossing without getting the required prior consent from the Canadian government or acknowledgement from EPA. *(Source: Environment Reporter, April 13, 1990.)*

In July, the U.S. EPA and the Mexican Secretariat of Urban Development and Ecology (SEDUE) located and retrieved 86 drums of hazardous waste illegally exported from the U.S. and stored in a pottery kiln warehouse in Tijuana, Mexico. *(Source: Terry Wilson, US EPA, 7/27/90.)*

And in December, the U.S. Securities and Exchange Commission accused three waste brokers from the Houston, Texas firm, FMF Corporation, of swindling American investors out of approximately US$900,000 in a failed scheme to dump U.S. radioactive waste in Equatorial Guinea, perhaps the world's most impoverished country. It is not believed that FMF shipped any waste was actually shipped to Equatorial Guinea. The three FMF officers, Charles Brandes, Abraham Greenspan and B.F. Winborn, allegedly presented falsified waste trade contracts to some 30 different investors in attempts to convince them that they had a legitimate agreement between the governments of Equatorial Guinea and the United States. The FMF officers are due in court on May 10 and face criminal fraud charges and fines of up to US$1,000,000 each. *(Source: Inside NAC, December 31, 1990.)*

ERRATA

The editors sincerely apologize for a mistaken reference to the International Indian Treaty Council (IITC) in the April 1990 issue of the Waste Trade Update. The IITC is an arm of the American Indian Movement which works with the United Nations Economic and Social Council, and has been a powerful force against toxic waste dumping on Indian lands in North America. For more information on the Council, please contact: IITC Information Office, 710 Clayton St. #1, San Francisco, CA 94117. Phone number: 415-566-0251.

ASIA AND THE SOUTH PACIFIC

U.S. CITY PLANS TO SHIP TOXIC SEWAGE SLUDGE TO TIBET

Tibetan Regional Government Agrees to Import 1,500,000 Tons of Sludge as "Fertilizer"

The United States city of Baltimore, Maryland, has secured a tentative agreement with a California waste broker firm, California Enterprise, to ship 20,000 tons of the city's sewage sludge waste to Tibet, China, in exchange for a payment of US$ 1,440,000. *(Source: letter from George Winfield, deputy director, city of Baltimore Dept. of Public Works, to Chant Sun of California Enterprise, January 29, 1990. California Enterprise is located at: 554 25th Ave., San Francisco, California 94121. Mr. Sun is the president of California Enterprise. Another official of the company is named Dominick Auditore.)*

Much more than 20,000 tons of U.S. waste might eventually be shipped to Tibet. According to documents obtained last month by Greenpeace through a Freedom of Information Act request to the U.S. EPA, the Chinese brokers for this scheme, Hainan Sunlitt Group, have the approval of the Tibetan Autonomous Region government to ship up to one and a half million tons of sludge from the United States to the Tibetan Native Livestock Product Company. According to a Baltimore port official, the sludge will be used in China as "fertilizer." *(Sources: Cable from M. Lilly of the U.S. Embassy in Beijing to the U.S. State Department, September 1990; letter from Paul Farragut, Marketing Representative, Maryland Port Administration, to Secretary Martin Walsh, Maryland Department of the Environment, November 13, 1990.)*

The deal has been delayed by confusion over whether the central Chinese government has approved the sludge imports. In June 1990, the state of Maryland tentatively approved California Enterprise's application to send Baltimore's sludge to China last June, pending the approval of the Chinese government. But the government has not yet given any official reaction to this scheme.

According to Hainan Sunlitt Group, a Chinese company that plans to broker the waste shipments within China, "municipal waste water sewage" does not require any government approval "according to the Chinese Government relevant import rules." *(Source: letter from Yu Zhen Tao, general manager of the Hainan Sunlitt Group Co. China, to Chant Sun, California Enterprise. The Hainan Sunlitt Group is located at: Nantian Hotel, Fl. 2, Haikou, Hainan, China; phone: 74888-210; fax (0750) 72055; telex 45053 NTHTL.)*

It is unclear whether Chinese regulations require government approval of any waste imports before they occur. A U.S. embassy official in Beijing said in September, "Chinese regulations and procedures on the import of wastes, hazardous or non-hazardous, are not yet standardized, codified, or well-publicized." The official added that "although China does import some waste products for recycling, e.g., scrap iron and waste paper, we understand that [the China] National Environmental Protection Agency has blocked the import of several potentially hazardous waste materials, such as batteries and used tires." *(Source: Lilly cable.)*

In October, U.S. Secretary of State James Baker asked embassy officials to meet with the Chinese government to clarify whether authorities have given their approval of the sludge import scheme. Embassy officials received no word of China's position, as of February 15, 1991.

As the scheme stalled, Baltimore and Maryland officials expressed a mixture of eagerness to complete the deal, and concern about its political implications. On November 13, a representative of the Baltimore Port Administration urged Maryland's Secretary of the Environment to speed the approval process for the plan because "if such a cargo can be exported, it would not only create...employment opportunities [at the Port of Baltimore] but would also help to solve a very real environmental problem. Other areas of the country are competing with us for this product so time is of the essence." *(Source: Farragut letter.)*

A Maryland environment department official said in late November that his department is working with the U.S. EPA "to ensure that the project will not generate an international incident." This statement echoed the earlier concern of a U.S. embassy official in Beijing, who noted "the current international sensitivities on the export of waste to developing countries and the potential embarrassment to the U.S. over this proposal." *(Sources: letter from Richard Collins, State of Maryland Department of the Environment, to Paul Farragut, Maryland Port Administration, November 27, 1990; Lilly memo.)*

Further complicating this scheme are recent questions about whether the officials in China are aware of the toxic nature of the planned scheme. An agreement between Hainan Sunlitt and the Tianjan representative office of the Tibetan Bureau of Foreign Economic Relations and Trade allows the import of up to one and a half million tons of "henl" – the Chinese word for "river silt." The Chinese word for sewage sludge is "wuni." *(Source: Lilly memo.)*

A separate document from a district administrator of a unnamed harbor city in China states that up to 300,000 tons of "river silt" will be accepted if the central Chinese government approves of the import. In October 1990, Secretary of State Baker stated that these documents raise "the question of whether or not China understands the nature of the material and whether it has been properly represented by the exporter to the Chinese authorities." *(Source: telegram from U.S. Secretary of State James Baker to U.S. Embassy in Beijing, October 1990.)*

Urban sewage sludge is not river silt, nor is it useful "fertilizer" when it is contaminated by household and industrial toxic wastes. In the United States, sludge from urban sewage treatment plants are chronically laced with toxic pollutants. The toxic chemicals in public sewer systems come from two major sources: industries that flush chemical wastes down the sewer and households that flush chemical-containing consumer products such as cleansers, solvents and paints down the sewer.

When sewage sludge has been used in the United States as "fertilizer," the results have been disastrous. In Milwaukee, where processed sewage sludge is sold as garden fertilizer, the product has been linked to outbreaks of amyotrophic lateral sclerosis (Lou Gehrig's disease), although no definitive causality has been proven. The city of Chicago had to withdraw sludge marketed as garden fertilizer in the

1970s, after heavy metals were found to be accumulating at high levels in gardens on which it had been dumped. *(Sources: "Milorganite Link to ALS?," Milwaukee Sentinel, February 2, 1987, p.1; "MSD Grows a Cadmium Crop," The Neighborhood Works, Center for Neighborhood Technology, July 27, 1979.)*

Despite these dangers, there are no federal U.S. restrictions on the export of sewage sludge. If any sewage sludge is shipped to Tibet, it is likely to remain there. Hainan Sunlitt Group has assured California Enterprise that "we will take the responsibility for all losses caused by our failing in finishing the Customer procedures after arrival of the goods in the China ports, and we guarantee (sic) that WE WILL NOT SHIP THE GOODS BACK TO THE U.S.A. [emphasis added]." *(Source: Letter from Mr. Tao to Mr. Sun.)*

CENTRAL AMERICA, SOUTH AMERICA & THE CARIBBEAN

SPHERE ATTEMPTS EXPORT OF TOXIC COAL ASH TO EL SALVADOR

Greenpeace was recently informed by El Salvadoran environmentalists that the Houston, Texas-based company Sphere International has proposed exporting 3-4 million tons of ash from coal combustion to El Salvador for us in the construction of low income housing.

After researching the proposed waste trade scheme, Greenpeace determined that as many as three companies may be involved in the deal. The companies are, Sphere International, INTMAR -- which is the Houston office of the Mexican business enterprise Plus Group and Ardecon Inc.

The proposal entails shipping 3 million tons of coal combustion fly ash over a two year period for a sea reclamation project to expand the coastal city of La Union in El Salvador. A 4 to 6 meter retaining wall would be built along the shore to mark off the coastal area where the ash would be dumped.

In the proposal, the president of Sphere, Lawrence Tackett, states that the ash would come from a number of utility companies in the U.S. One of the listed companies, Houston Power and Light, said that although an ash composite sheet from their broker, JTM Industries, was listed in the pages of the proposal, neither they nor their ash broker knew about the planned shipment. A second company implicated in the proposal was Baltimore Lighting, a small company which generates very little waste. Virginia Power Company said that they were also approached about the project in October but they rejected the proposal due to the expenses involved. Virginia Power also said that they were quite sure that last November, when they turned the project down, the proposed retaining wall had already been built in El Salvador.

The proposal mentions nothing about a monetary payment to El Salvador for taking the toxic waste. Rather, the companies proposing the scheme say that they are donating the ash to El Salvador as a show of support for the country's economic growth. Tackett states in the proposal that the companies will sub-contract for the construction of low-income housing, a heliport, a military play ground, physical installations for an out-patient health unit, an athletic field, a school of 20 classrooms and a city park. *(Source: Sphere International Proposal entitled "The Urban Development Complex And Expansion of the Naval Base in the City of La Union Republic of El Salvador.")*

Contact:

Lawrence Tackett
Sphere International
P.O. Box 821454
Houston, Texas, USA 77282-1454

IBDC PROPOSES BURNING UP GARBAGE IN JAMAICA

Two companies, Montenay Power Corporation and Caribbean Energy Resources, Inc. (CERI) are currently offering Jamaica a proposal to construct a large scale municipal waste incinerator. The companies' plan, titled "Jamaica Resource Recovery and Power Project," (the Plan) proposes to "erect and operate a resource recovery and power generation complex in Jamaica...to burn a prepared paper-based fuel. *(Source: "Jamaica Resource Recovery and Power Project," (Plan), November 1990.)* The title of the Plan is misleading. The facility is, in fact, a municipal waste incinerator which will burn waste and create some energy as a byproduct. Over eighty percent of the waste to be burned would be imported from the United States.

Montenay and CERI approached the Jamaican government with the plan in December 1990. The government stated that they would not participate and suggested they find a private business to work with. *(Source: The Sunday Gleaner, Kingston, December 16, 1990.)* In February 1991, a Jamaican embassy official in Washington, D.C. told Greenpeace that Jamaica would not allow U.S. wastes to be imported.

The proposed facility would import approximately 3,600 tons of garbage daily from the U.S. This would be supplemented by approximately 550 tons per day of waste from the Kingston area. Approximately 2,500 tons per day of the combined waste would be burned in the proposed incinerator and the remainder would be either landfilled or separated and sold as scrap materials in the U.S.

According to the Plan, U.S. waste imports will begin 27-29 months before the incinerator begins operations. The imported waste will be stockpiled at the project site.

Montenay Power Corporation operates a number of incinerators in North America which have been plagued with technical problems and environmental violations. CERI is an upstart company based in Washington, D.C. Because the government of Jamaica rejected participating in the project, the two companies are presently searching for a private sector Jamaican company to accept their plan. One Jamaican company, Industrial Commercial Developments Ltd. (ICD) was approached by Montenay and CERI. ICD is a private sector Jamaican company with no previous experience in the construction or operation of municipal waste incinerators. On March 5 they announced that they would not participate in the project. According to ICD spokesperson, Errol Powell, "Unless ICD can have an absolute guarantee that there will be no environmental hazards, we would not participate in it." *(Source: Daily Gleaner, January 13, 1991.)*

It is unlikely that this project will ever be accepted in Jamaica. Jamaica has a strong record against the international trade in wastes, and has stated on numerous occasions that it will not accept waste imports. If the proposal is eventually accepted by a private Jamaican company, it would still be in direct violation of the Lome IV Treaty on trade and aid relations between the European Community and the 68 African, Caribbean and Pacific (ACP) countries. Under the Lome Convention the ACP countries agreed to ban all waste imports from all countries.

PHILADELPHIA AND U.S. EPA GET UNEXPECTED ASH PACKETS

In December, the Mayor of Philadelphia, Wilson Goode, and the administrator of the U.S. Environmental Protection Agency (EPA), William Reilly, received letters filled with toxic incinerator ash.

The pouches of ash came from Haiti where 3,000 tons of ash were dumped three years ago. The ash originally came from Philadelphia and was sent to Haiti on the famous waste trading vessel, The Khian Sea. The ash was presented to Haiti as "fertilizer."

After years of pleading with the City of Philadelphia and the U.S. Government to take back their toxic waste, Haitian environmentalists decided to take matters into their own hands and off their beach.

Two Haitian environmental groups, Cibao Club and Les Amis de la Nature, organized a mass mailing to the U.S. in an effort to rid their shores of the Philadelphia ash. They sent 250 envelopes to Goode and another 250 to Reilly. The envelopes carried a concise message, "Contains Philadelphia Waste. Return to sender. Delivered three years ago, mislabeled as fertilizer."

The EPA maintains that the situation is now Haiti's responsibility. If Haiti wants the ash removed, it will have to make a formal request to the U.S. *(Source: The Philadelphia Inquirer, December 20, 1990.)*

ALMANY PROPOSES ASH SHIPMENTS TO PANAMA

In August, Almany Enterprises, a company with headquarters in Miami, Florida, proposed shipping 30 million tons of incinerator ash from various U.S. cities to Panama over the next four years. Almany would pay the government approximately US$6.50 per ton of toxic waste received in Panama. The ash is believed to be highly contaminated with cadmium, copper lead and zinc.

Almany proposes to landfill the ash in marshlands near the free zone of Colon.

The offer is under consideration by the government of Panama. *(Source: Greenpeace Latin America.)*

GREENPEACE WASTE TRADE UPDATE - MARCH 22, 1991

BIOGAS ENERGY SYSTEMS CORPORATION DEVELOPING MASSIVE WASTE EXPORT SCHEME IN LATIN AMERICAN REGION

Mr. Nicholas Sands of the Biogas Energy Systems has been working on a so-called "billion dollar deal" that would bring unspecified quantities of waste from the U.S. to an as yet undetermined country in either the Caribbean or South America. Possible target countries include Venezuela and the Dominican Republic. Sands has not determined exactly how the waste will be disposed of but he has stated that the overall project would include a variety of benefits including low cost housing and possible medical facilities.

Contact:
Nicholas Sands
Biogas Energy Systems Corporation
5540 Scarington Court West
Orlando, Florida, USA 32821
Telephone (407) 239-8880

Other Schemes, In Brief...

EQUATORIAL GUINEA HALTS PROPOCED RADIOACTIVE WASTE SHIPMENT

Government officials in Equatorial Guinea rejected a 1990 proposal to ship waste from the United States to the small West African country. A Panama-registered company, Development Corporation SA proposed to ship toxic wastes that, according to Malabo state reports, included radioactive material, radon and dioxin. The government was offered US$ 260 million and significant investment in the tourism housing and transport sectors. *(Source: West Africa, 11-17 June, 1990 pg. 990.)*

UPDATE ON WASTE BARRELS IN THE BLACK SEA

An investigation carried out by Robin des Bois, an environmental activist group in France and West Germany, revealed that a minimum of 7,000 tons of carcinogenic and flammable paints were disposed of in the Black Sea by a Panamanian ship during the summer of 1988. Since then, about 1,000 barrels have washed ashore, causing enormous problems for the wildlife in the area. Several thousand more barrels are believed to be floating in the sea off the coast of Ince Burun. *(Source: Press Release by Robin des Bois, March 29, 1990.)*

OBITUARY

Sunday Nana, the owner of the land in southern Nigeria where the Italian Chemical Company Jelly Wax dumped 4,000 tons of toxic and radioactive waste, died on March 3, 1990. Nana's death was reportedly unrelated to the toxic dumping. The official news agency of Nigeria reported that Nana had developed tuberculosis before the waste had been dumped on his land.

One Final Note

Nearly a year has passed since we last produced the Waste Trade Update, but the lack of a newsletter should not be mistaken for a lack of waste trade news. Our publication efforts have centered on the fifth edition of The International Trade in Wastes: A Greenpeace Inventory, which we released in mid-February (see article below).

The Waste Trade Update is intended as a companion newsletter to the Inventory. Every few months, beginning with this issue, we will update our readers on the latest waste trade trends, schemes and policies. This issue describes just a portion of the schemes that we have encountered over the past year, none of which were included in the Inventory due to our publication schedule.

Another Waste Trade Update will be produced soon, covering more major schemes and policies; by then, hopefully, the reader will have a complete, up-to-date, overview of the international waste trade.

*** UPCOMING WASTE TRADE NEWS ***

- Global Telesis [illegible]ack in Papua New Guinea
- Waste Trader Ambrosini Goes on Trial
- EC Drafts New Waste Trade Loopholes
- Mercury Wastes Dumped in Spain
- Waste Traders Target Guinea, China, Dominican Republic, Soviet Union and Many Other Countries
- Waste Trader Allegedly Attempts to Blow Up Chemical Tanks in the U.S.

GREENPEACE WASTE TRADE UPDATE - MARCH 22, 1991

NEW RESOURCES ON INTERNATIONAL WASTE TRADE

LITERATURE:

The International Trade in Wastes: A Greenpeace Inventory (Fifth Edition, 1990) - See above article. Available in English only. Spanish, French and German versions will be available soon. Available from: Greenpeace Waste Trade Project, 1436 U St., N.W., Washington, DC 20009. US$20.00.

Never Registered Pesticides: Rejected Toxics Join the 'Circle of Poison' - This Greenpeace report presents four case studies of pesticides manufactured by DowElanco, Mobay Corporation and Monsanto Agricultural Company. Every year, about 100-150 million pounds of pesticides that cannot be used in the United States are exported for use overseas. Pesticides researched in this report include butachlor, haloxyfop nuarimol and prothiophos. This report points out problems that existing loopholes in U.S. policy pose to people and the environment in the U.S. and abroad. Available from: Pesticides Campaign, Greenpeace, 1436 U St., N.W., Washington, DC 20009. US$10.00.

Poland - The Waste Invasion - This Greenpeace report documents over 60 different attempts to dump waste in Poland. A companion video is described below. Available from Greenpeace Waste Trade Project, Washington, DC. US$5.00.

Pollution for the Marshall Islands Equals Profits for the U.S. - This Greenpeace report was released in June 1990. It serves as a follow-up report to the document released in June 1989 entitled "Waste Traders Target the Marshall Islands." The new report reveals an extensive criminal resume of Jim Thompson, a waste trader responsible for a scheme to export over 34 billion tons of municipal waste and used tires from the U.S. to the Marshall Islands. The scientific opinions of several marine biologists opposing the scheme are also presented. Available from Greenpeace Waste Trade Project, Washington, DC. US$5.00.

Import/Export of Irradiated Fuel and Radioactive Waste to and from the United Kingdom, 365 pp., by John Large of Large and Associates, Consulting Engineers, published by Greenpeace UK, 30 Islington Green, London N1 8XE. Executive Summary, 55 pp, also available.

Global Dumping Ground - The Center for Investigative Reporting researched and wrote this book which illustrates both legal and illegal trade in wastes of many kinds. The report reveals how toxic exports have become an enormous business, spurred by closing dump sites and skyrocketing disposal costs in the U.S. The book is available from Seven Locks Press, PO Box 27, Cabin John, Maryland, 20818, USA (phone - 301-320-2130).

FILMS:

How Green is the Valley? - Thor Chemicals, a British owned company, receives hazardous waste from the United States and the U.K. at its mercury reprocessing plant in the Natal Province, South Africa. Greenpeace visited the site and took sediment samples which indicated dangerous levels of mercury in the water on which local villagers rely. Greenpeace footage includes visuals of villagers drawing water from the river, Greenpeace researchers taking sediment samples, interviews with South African environmentalists, physicians and environmental officials. Also, dramatic footage of protests at the Thor plant and American Cyanamid in New Jersey which exports waste to Thor in South Africa. See related story. Video available from Greenpeace. US$15.00.

Poland - The Waste Invasion - Poland has been the target of at least 63 waste trade schemes in the last two years. Since 1989, waste traders have attempted to export over 22 million tons of waste to the East European country. Greenpeace conducted research over the past year to determine the magnitude of waste trade in Poland and produced this video which includes footage of waste disposal sites, interviews with Western waste exporters, discussions with Polish officials and interviews with local activists who stormed and demolished a local incinerator that was scheduled to destroy imported waste. See related story. Video available from Greenpeace. US$15.00.

Global Dumping Ground - This U.S. public television special documents the international trade in wastes. Aired on October 2, 1990, "Global Dumping Ground" illustrates both legal and illegal trade in wastes of many kinds. The report reveals how toxic exports have become an enormous business, spurred by closing dump sites and skyrocketing disposal costs in the U.S. Available from CIR Video Sales, 530 Howard Street, 2nd Floor, San Francison, CA 94105. US$29.95 plus US$3.00 shipping & handling.

*** SUBSCRIBE NOW TO THE GREENPEACE WASTE TRADE UPDATE ***

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Mr. SCHEUER. Thank you very much, Mr. Vallette.

Now we'll hear from Mr. William R. Pace, Convener of the Working Group on Legal and Institutional Issues of the U.S. Citizens Network on UNCED.

Please proceed, Mr. Pace.

STATEMENT OF WILLIAM R. PACE, DIRECTOR, CENTER FOR DEVELOPMENT OF INTERNATIONAL LAW, AND CONVENER, WORKING GROUP ON LEGAL AND INSTITUTIONAL ISSUES, U.S. CITIZENS NETWORK ON UNCED, WASHINGTON, D.C.

Mr. PACE. Thank you, Mr. Chairman. I appreciate the opportunity and the honor to address the committee.

I'm testifying today in my capacity as Director for the Center for Development of International Law and, as you mentioned, Convener of the Working Group on Legal and Institutional Issues of the U.S. Citizens Network.

The gathering of the United Nations Conference on Environment and Development, now called the Earth Summit, in Rio will be the gathering of the entire community of nations represented by their heads of state or government. It will be the largest summit conference in the history of the world. The goals and the agendas of the Earth Summit are surely, next to peace and disarmament, the most important challenges before humankind not only for the next two years, but for generations to come.

It's my intention in this brief testimony to outline the broad range of these legal and institutional discussions involved with UNCED and some of the most interesting proposals. I'd also like to address some of the more serious obstacles that must be overcome if the world community is to achieve meaningful progress at the Earth Summit.

As has been mentioned, several new framework conventions are expected to be ready for approval at the Earth Summit. What will be the implementing and institutional mechanisms for these conventions? How will they be financed? Should these new treaties be administered within existing organizations, or is there a need for "new and more effective decision-making and enforcement mechanisms," as was called for in the Hague Declaration on the environment, adopted in 1989 and signed by 43 nations, but not this nation?

This remarkable declaration calls for a new world authority within the U.N. system for "combating any further global warming of the atmosphere and shall involve such decision-making procedures as may be effective, even if, on occasion, unanimous agreement has not been achieved." The new institutional authority called for in the Hague Declaration is to incorporate principles of implementation and compliance, subject to the control by the International Court of Justice.

Some of the other major proposals and initiatives in the institutional field that are being discussed in addition to the super-national authority of the Hague Declaration, include proposals for an Environmental Security Council for transforming the Trusteeship Council at the United Nations to an environment and/or development chamber. There are many proposals for an Environmental

Commission or a Sustainable Development Commission based upon the human rights or the ILO models. There are important proposals for developing a permanent Environmental Treaty Drafting Commission and secretariat within the United Nations system, and there are a great number of other new institutional authority proposals that are outlined in the written testimony.

It should be noted that most of the greatest thinkers and experts on global and United Nations issues, including political leaders, acknowledge that fundamental change and progress cannot be expected until new forms and structures of national, regional, and especially international decision- making have been established.

Mr. Chairman, there is a general perception in the UNCED process of the U.S. against the world, especially in relation to negotiations on the climate change convention, the establishment of the Working Group on Legal and Institutional Issues, the discussions on financing, additionality, technology transfer, biotechnology, and intellectual property rights. To be fair, this perception is not completely justified, but the faintheartedness toward major institutional discussions led Maurice Strong to comment at the recent Geneva PrepCom meeting, "On the question of institutions, I see no movement at present toward establishment of a single major new institution. Rather I would expect the conference to agree on a series of measures designed to strengthen, reinforce, and supplement existing institutions and institutional processes." Our experience in our own Government institutions clearly shows that attempts to reform and better coordinate the activity of bureaucracies may be more difficult and challenging than was the creation of those institutions.

In addition to the major schism between those who advocate new institutions, decision-making, and enforcement mechanisms and those advocating refining and reforming existing institutions are the several extremely contentious interrelated legal issues mentioned above: technology sharing, technology transfer, biotechnology, intellectual property rights. Disagreements on these issues has caused serious obstacles to substantive progress in the negotiations of virtually all the UNCED conventions. Annexed to this testimony are three brief editorials and articles on these issues in U.N. and UNCED publications by important representatives of the developing countries. "What worries the Third World countries," says one, "is the stubborn resistance of the United States in this conference to any suggestions of preferential transfer and financing of technology."

Another says, "The biotechnology revolution has immense promise for the benefit of the Third World's poor, and yet recent analysis has shown that the First World corporate strategies in this field are largely directed toward technological and institutional ends which are totally against the interests of those who might benefit most—the small farmer or the landless worker."

The other says, "Biotechnology is inextricably linked to biodiversity. Modern biotechnology promises to change life at least as profoundly as the Industrial Revolution." "In spite of the immeasurable contribution that the Third World biodiversity has made to the wealth of the industrialized nations," he goes on, "the north continues to create legal and political frameworks to make the

Third World pay for what it originally gave." "And those who patent the byproducts of biotechnology," he says, " for huge sums of money should be aware that they would not be able to do so in the absence of this biodiversity."

Mr. Chairman, the U.S. position on these issues is usually that they are too complex to be negotiated in the UNCED process, that the Third World is exaggerating the financial benefits and the lack of access to these technologies, and, in any event, that these are largely issues under the control of our private sector.

There are universal moral dimensions to the questions about the right of peoples from the richest developed countries to continue to extract enormous material and natural resources from the poorest nations and peoples. The consumption practices of the north are the primary cause not only of the destruction of the environment in the north and the south, but also a primary cause of the poverty and debt of the south.

As Gus Speth recently said, "You can't have sustainable development without development, and you can't have development when capital is flowing out rather than in to your country." For God's sake, there is a net flow of tens of billions of dollars from the poorest nations of the world to the richest nations. Nations are being forced to pay interest on their debts instead of feeding their starving children. This is unbelievable and unacceptable.

The Legal and Institutional Issues Working Group is the repository for many of the most cherished ambitions of UNCED. The principles and the goals of the earth charter and of Agenda 21, the program of action for implementing the principles enunciated in the earth charter, must be adopted in legal and institutional frameworks. If the United States Administration is going to argue that function must precede form, that we must know what the nations are agreeing to in these new international environmental treaties before negotiating the legal and institutional frameworks, then at least the United States should agree that certain moral and democratic principles and processes precede the discussion of program and function.

In conclusion, let me state that the United States' positions on these legal and institutional issues strike me as a tragic departure from the historic principles of the founders of this Nation, which is perhaps the world's greatest experiment in combining the rule and institutions of law with universal moral principles. Thank you.

[The prepared statement of Mr. Pace follows:]

Center for Development of International Law

P.O. Box 53149 Washington, DC 20009-3149

William R. Pace
Director

Tel: (202)462-5251
Fax: (202)462-4941

Concerning the Legal and Institutional Issues of the United Nations Conference on Environment and Development

Testimony to the
House Science, Space and Technology
Subcommittee on the Environment

By

William R. Pace
Director, Center for Development of International Law

May 7, 1991

I am testifying today in my capacity as Director of the Center for Development of International Law, a non-profit organization established to promote the development of international law and the strengthening of the international legal order. In addition, I serve as convener of the Working Group on Legal and Institutional Issues of U.S. Citizens' Network on UNCED, a network of hundreds of NGOs working with local, national and international citizens, officials and organizations in developing and promoting policies for the U.N. conference.

In December 1989 the United Nations General Assembly decided to convene a United Nations Conference on Environment and Development which will be held in Rio de Janeiro, Brazil, in June 1992. It will be a gathering of the entire community of nations represented by their Heads of States or Government. It will be the largest summit conference in the history of the world. The goals and agenda of the "Earth Summit" are surely, next to peace and disarmament, the most important challenges before humankind not only for the next two years, but for generations to come.

Also gathering in Rio de Janeiro will be tens of thousands of the world's citizens representing the broadest array of peoples, interests and organizations ever assembled.

The root cause for this extraordinary summit is recognition that there are certain global environmental catastrophes threatening our planet which can only be avoided through an intensification of international cooperation at an unprecedented scale. These environmental threats arise as a result of human economic behavior and can only be addressed effectively by fully integrating the environmental dimension into all areas of economic policy and decision-making. The main task of the 1992 Conference is to establish an agreed upon path which will take the world community to a sustainable environmental and economic future.

The overall UNCED work is divided into several major categories: Conventions on specific issues such as climate change, the development of an Earth Charter, Agenda 21 which is a long-term program for action, agreement about financial resources, and technology sharing and transfer. There are fundamental legal and institutional issues that need to be addressed in each of these categories.

The Working Group on Legal and Institutional Issues of the U.S. Citizens' Network is still in its early stages of compiling information about these cross-cutting issues and, with the Chairman's permission, we would like to be able to submit our findings and recommendations to the Committee as they develop. There are literally hundreds of important proposals, initiatives and projects in development all over the world dealing with the crucial legal and institutional implications of the UNCED work.

It is my intention in this brief testimony to outline the broad range of these legal and institutional discussions and to list some of the most interesting proposals. I would also like to address some of the most serious obstacles which must be overcome if the world community is to achieve meaningful progress at the Earth Summit. It is our belief that this committee and Congress must make an important contribution to this process.

The General Assembly, in its formulation of UNCED, recognized the central need for work on legal and institutional issues and established Working Group III to discuss these and other "cross-cutting" issues, including financial and technology transfer arrangements which would be necessary to implement the decisions and work of UNCED.

As mentioned above several new framework conventions are expected to be ready for approval at the Earth Summit. What will be the implementing and institutional mechanisms for these conventions? How will they be financed? Current practice is for each to have its own secretariat, usually with its own trust fund and associated procedures.

Should these new treaties be administered within existing organizations? Should some of the functions of the new conventions, such as accounting or common disbursement services, be consolidated?

Or is there a need for " new and more effective decision-making and enforcement mechanisms" as called for in The Hague Declaration on the Environment adopted in 1989 and signed by 43 nations. This remarkable declaration calls for a new authority within the U.N. system "for combating any further global warming of the atmosphere and shall involve such decision-making procedures as may be effective even if, on occasion, unanimous agreement has not been achieved."

The new institutional authority called for in The Hague Declaration is to incorporate "the principle of appropriate measures to promote the effective implementation of and compliance with the decisions of the new institutional authority, decisions which will be subject to control by the International Court of Justice." (See annexed list other proposals.)

It should be noted that most of the greatest thinkers and experts on global and United Nations issues, even including political leaders, acknowledge that fundamental change and progress cannot be expected until new forms and structures of national, regional and especially international decision-making have been established. To this end it is hoped UNCED may help lay the foundation for these developments.

For many years now, it is a widely held view that the United States has been in the forefront of rejecting all calls for major strengthening and restructuring of the United Nations system and the international legal order.* In addition, there is a general perception in the UNCED process of the "U.S. against the world," especially in its singular efforts to stall progress in the negotiations on the Climate Change Convention, the establishment of Working Group III on legal and institutional issues, the discussions of financing, additionality, technology transfer, biotechnology and intellectual property rights. To be fair, this perception is not completely justified, but the perception is clearly evident and casts a pall of cynicism on the entire UNCED process.

To this end, Maurice Strong, Secretary-General of UNCED, lamented in his statement to the 2nd Session of the Preparatory Committee, "On the question of institutions, I see no movement at present towards establishment of a single major new institution. Rather, I would expect the Conference to agree on a series of measures designed to strengthen, reinforce and supplement existing institutions and institutional processes." This especially applies to the strengthening of UNEP and UNDP and will include not only the many other different elements and specialized agencies of the United Nations system that are concerned with environment and development such as FAO, the World Bank, UNIDO, UNFPA, UNICEF, etc. but also other international and regional

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(* "Forefront" is a misleading term in that most U.S. efforts to discourage strengthening the U.N., the ICJ and other reform of the international legal order has been done behind the scenes at the Security Council, via withdrawal from the ICJ, the withholding of funding and dues, opposition to most initiatives such as the Hague Declaration, etc. Certainly, other "permanent members" and G-7 countries are equally culpable.)

organizations such as GATT, European Commission, OECD and national organizations and non-governmental organizations concerned with environment and development issues.

As experience with our own government institutions clearly shows, attempts to reform and better coordinate the activities of all the international bureaucracies in implementing UNCED programs may be more difficult and challenging than was the creation of the institutions.

In addition to the major schism between those who advocate new institutions, decision-making and enforcement mechanisms and those advocating refining and reforming existing institutions, are the several extremely contentious inter-related legal issues mentioned above: technology sharing/transfer, biotechnology and intellectual property rights.

Disagreement on these issues has caused serious obstacles to substantive progress in the negotiations of virtually all UNCED conventions. Annexed to this testimony are three brief editorials and articles on these issues in UN and UNCED publications by important representatives of developing countries, Maria E. Hurtado, Edward Rugumayo and Iftikhar Ahmed.

"What worries third world countries," says Hurtado, " is the stubborn resistance of the U.S. in this conference to any suggestions of preferential transfer and financing of technology." Says Ahmed, "the biotechnology revolution has immense promise for the benefit of the third world's poor. And yet recent analysis has shown that (first world) corporate strategies in this field are largely directed towards technological and institutional ends which are totally against the interests of those who might benefit most - the small farmer or the landless worker."

Rugumayo perhaps best captures the spirit and scope of the North-South schism in following paragraphs.

"Biotechnology is inextricably linked to biodiversity. Modern biotechnology promises to change life at least as profoundly as the Industrial Revolution. It can greatly increase our effectiveness in the areas of crop production, animal husbandry, food processing and health care; cutting costs and improving produc-tion. Biotechnology may provide us with potential solutions for the poor, the hungry and marginalised in the developing world."

"Still, the ultimate uses of biotechnology are solely dependent on the motives of those who set the agenda for research and development and those who decide the nature and priorities of the problems to be solved. Currently, modern biotechnology is completely in the hands of private industry, outside any democratic decision-making process....

"In spite of the immeasurable contribution that Third World biodiversity has made to the wealth of industrialized nations, the

North continues to create legal and political frameworks to make the Third World pay for what it originally gave. The North should both acknowledge and pay royalties dating back hundreds of years to the Third World peoples who have protected and continue to protect biodiversity despite the ecocidal policies of past colonial governments and (more recently) multinational corporations. The later, who patent byproducts of biotechnology for huge sums of money should be aware that they would not be able to do so in the absence of this biodiversity. The emerging trends in global trade and technology work inherently against justice and ecological sustainability. These must be thwarted by democratic forces worldwide."

The U.S. position of these issues is usually that they are much too complex to be negotiated in the UNCED process, that the third world is exaggerating the financial benefits and the lack of access to these technologies and, in any event, these are issues largely under the control of our private sector and that therefore our government cannot negotiate.

It was reported recently that Vice President Quayle wrote a letter to Brazilian President Collor stating the U.S. believes that "unlimited patent rights be given to owners of technology with validity for 30 years and retroactive effects."

There are universal moral dimensions to the questions about the right of peoples from the richest developed countries to continue to extract enormous material and natural resources from the poorest nations and peoples. The consumption practices of the North are the primary cause, not only of the destruction of the environment in the North and South, but also a primary cause of the poverty and debt of the South.

As Gus Speth has recently said, "you can't have sustainable development without development; and you can't have development when capital is flowing *out* rather than *in* to your country."

For God's sake, there is a net flow of tens of billions of dollars from the poorest nations of the world to the richest nations. Nations are being forced to pay interest on their debts instead of feeding their starving children. This is unbelievable, unacceptable and these issues must be addressed.

The legal and institutional issues working group of UNCED is the repository for many of the most cherished ambitions of UNCED. The principles and goals of the Earth Charter and Agenda 21, the program of action for implementing the principles enunciated in the Earth Charter, must be adopted in legal and institutional frameworks.

If the United State administration is going to argue that function must precede form, that we must know what the nations are agreeing to in these new international environmental treaties before negotiating the legal and institutional frameworks, then at least the United States should agree that certain moral and democratic principles and processes precede the discussion of program and function.

In conclusion, let me state that the United States positions on these legal and institutional issues strike me as a tragic departure from the historic revolutionary principles of the founders of this nation, this Congress and our constitutional government, which is perhaps the world's greatest experiment in combining the rule and institutions of law with universal moral principles.

LISTS AND ANNEXES

Proposals Involving New Institutions or Authority

Following is a listing of some of the important UNCED-related legal and institutional proposals being advanced by a wide array of government and non-government organizations.

New supra-national authority to administer the climate-change convention as called for in The Hague Declaration.

Environmental Security Council.

Transforming the Trusteeship Council to an Environment and Development Chamber.

Environment Commission similar to the Human Rights Commission.

Sustainable Development Commission. A variation of the Environment Commission, the ILO has also been used as a model.

Permanent Environmental Treaty Drafting Commission and Secretariat. To reduce duplication and the enormous demands in personnel, costs, travelling, etc.

Revitalize the Environment Coordination Board including broadening its interagency and development scope.

New U.N. Institutional Authority. Other proposals in this major category include creating new institutional authority that would take on the functions of adopting guidelines and regulations interpreting treaties, new authority to enforce compliance, a Global Environmental Protection Agency, new authority proposals advocating decisions by the authority be by a weighted voting system not allowing a single state veto, a further extension of this principle calls for the new environmental authority to be governed by a democratically elected parliamentary assembly with a governing council of 20 to 30 States.

U.N. Environmental Ombudsman.

PENTAGONALE Countries Proposal of "Elements for a resolution on settlement of international disputes concerning the environment." (Australia, the Czech and Slovak Federal Republic, Hungary, Italy and Yugoslavia)[and Poland]. A/CONF.151/PC/WG.III/L.1

Green Helmets proposal for collective environmental security force by Austria.

Expansion of the UN Judicial System

Environmental Chamber of the World Court.

Special Arbitral Tribunals for Environmental Disputes such as envisioned in Law of the Sea or by deputizing existing national court chambers. Also in this category are proposals to guarantee access in domestic courts to other governments and nationals, for resolution of environmental disputes and claims of liability and compensation.

Environmental Amnesty. A proposal to develop an organization modelled upon Amnesty International, to research investigate nations compliance to environmental treaties and obligations and issue an annual report on States' environmental or sustainable development records.

Proposals for Strengthening Existing Institutions and Programs

These proposals are too numerous to list, but they are probably the most realizable within the UNCED time-frame. Most strengthening proposals fall into the following broad categories.

Strengthening UNEP has perhaps the broadest consensus and the greatest number of suggestions. Some of the best sources of descriptions of these proposals include:

ECOSOC Reform including the need for a high-level policy center within the UN system through which the UN community could consider the interrelated issues of environment and development (and possibly other cross-cutting issues like population or trade).

Environment Coordination Board. It is proposed by the U.S. and others to revitalize this board as a high-level coordinating body under the Chair of the Director of UNEP.

For a more complete description of these and other proposals the following sources are recommended.

Background to Institutional Options for Management of the Global

Environment and Commons by **Peter S. Thatcher** of **WRI.** **An excellent** Preliminary Paper for the World Federation of United Nations Associations Project on "Global Security and Risk Management."

UNCED Secretariat Progress Report on Institutions.
A/Conf.151/PC/36

Institutions Project headed by Lee Kimball of the **World Resources** Institute.

U.S. **Proposal For Improving UN Institutional Involvement** in **Environmental Affairs: Enhancing Central Coordination and the Role of UNEP.**

Annexes: William R. Pace resume summary
The Hague Declaration
Biodiversity, Biotechnology, Intellectual Property Rights Articles
Banco do Brazil - Sinopse Radiobras
Working Group on Legal and Institutional Issues U.S. Citizens' Network on UNCED papers.

Working Group on Legal and Institutional Issues of the U.S. Citizen's Network on UNCED

Partial List of Projects Underway
April 23, 1991

American Bar Association, Standing Committee on Environmental Law
Contact Persons: Elissa Lichtenstein, Courtney Leyendecker

Focus: The ABA Standing Committee on Environmental Law will hold a May 17-18, 1991, conference to address the role of law in the UN Conference on Environment and Development, 1992. The ABA conference will be the first conference to focus in detail on the legal issues likely to arise at UNCED, including institutional mechanisms for implementation of international environmental laws, international financing mechanisms, intellectual property rights, and the current negotiations for a climate change convention. Attendees may review and contribute to chapters of environmental law and institutions and environmental impact assessment chapters of the national report being prepared for submission to the UN by the Council on Environmental Quality.

Aspen Institute
Contact Person: Christopher Makins

Focus: The Aspen Institute will convene a high level international Working Group to address the institutional, legal and financial issues, and related issues concerning technology transfer, posed by the intensification of international cooperation on environmental and economic development policy. The Working Group will meet in Aspen, Colorado, from July 18-25, after which a report will be presented to a meeting of senior policymakers on July 25-28. This project is being organized in cooperation with the Secretary-General of UNCED, and will follow on the similar and very successful program organized by the Aspen Institute before the Stockholm Environment Conference in 1972.

Center for Development of International Law
Contact Person: Bill Pace, Director

Focus: CDIL is a non-profit organization established to promote the development of international law and strengthening of international legal order. CDIL gives primary emphasis to the development of enforcement language and mechanisms for international law with special focus on the areas of environment, development and restructuring of the United Nations. CDIL Director Bill Pace serves as Convener of the US Citizens' Network Working Group on Legal and Institutional Issues. CDIL has relationships with numerous international organizations interested in legal and institutional issues on UNCED, including: the Netherlands National Committee IUCN, the Environment and Development Resource Center, European Working Group on Amazonia, the Rainforest Foundation, CAPE, ANPED--the Citizens' NGO Alliance for the ECE Region, the International Steering Committee for the upcoming Global NGO Conference, World Federalist and UN Reform groups, and initiatives connected to the UN Decade of International Law.

Council on International & Public Affairs
Contact Person: Ward Morehouse

Focus: 1) Bretton Woods institutions' reform (especially IMF) -- Making these institutions more accountable to those who are most directly affected by the policies of these institution; 2) Uruguay Round of GATT Negotiations -- resisting attempt by industrialized countries, especially the U.S., the expand GATT beyond traditional trade issues to encompass investments, sources, intellectual property, and the environment (through "harmonization"); and, 3) International law reform in trans-boundary environmental accidents and industrial disasters.

Council on Ocean Law
Contact Person: Charles Higginson, Executive Director

Focus: COL was founded in 1980 to support the development of international laws to govern uses of the oceans. It has sponsored efforts to bring the US government back into the 1982 Law of the Sea Convention negotiations and has encouraged stronger participation in the UNEP Regional Seas program. COL has long monitored the International Maritime Organization, the Inter-governmental Oceanographic Commission, UNEP, the regional fisheries arrangements, bi-lateral agreements, and other international institutions dealing with marine affairs.

COL has provided the UNCED Secretariat with synopses of the authorities and programs of international oceans institutions in collaboration with Lee Kimball of the World Resources Institute. COL is planning a major project examining aspects of the transportation of hazardous materials -- a topic of concern to UNCED '92.

Natural Resources Defense Council
Contact Persons: Liz Barratt-Brown, Glenn Prickett, Jacob Scherr

Focus: NRDC is working through CAPE on Working Group III issues, with particular interest in reform of the U.S. system that includes enhanced audits of UN agency environmental projects, reporting and monitoring of nation state compliance with international environmental law, and participation by individuals and NGOs in the above, including full access to information. NRDC is interested in the progress of an international Charter on Human Rights
and the Environment, and will be following its development.

Second Global Structures Convocation
Contact Person: Joan McKinney

Focus: The Second Global Structures Convocation on Environment and Development, scheduled for January 1992, is intended to engender broad-based support for the development and empowerment of those international laws and institutions needed to implement the findings of UNCED '92, and to generate clarity and support for those international institutions, laws and systems needed to assure a mutually safe, just, and visible global community. Co-sponsors include the US Citizens' Network on UNCED, UNA-USA, the American Association of University Women, the World Federalist Association, and the Alliance for Our Common future, a coalition of 52 organizations working on the environment, disarmament, the Unitsd Nations, and national budget priorities. The World Federalist Association is serving as managing sponsor for the Convocation.

World Federalists Association
Contact Person: Walter Hoffman

Focus: WFA, having a long-standing interest in strengthening international institutions' capabilities in the security field, has begun to focus on similar efforts with respect to the environment. A WFA report, Effective Global Environmental Protection: World Federalist Proposals to Strengthen the Role of the United Nations was published in May 1990 and updated in October 1990. WFA is the managing sponsor of the Second Global Structures Convocation, to be held in January 1992.

World Resources Institute
Contact Person: Lee A. Kimball, Senior Associate and Project Director

Focus: The Institutions Project was launched in 1990 in response to the emerging consensus that international institutions must by greatly strengthened for the world to achieve environmentally sustainable development and arrest the continuing deterioration of global environments. The Institutions Project, working with a committee of experts, will analyze how institutional arrangements can better secure international agreement on policies and priorities for sustainable development. A report examining the options for stronger environmental governance will be prepared for release in early 1992, with an eye towards informing the 1992 UNCED conference. Existing WRI reports relevant to these issues include Lessons Learned in Global Environmental Governance by Peter Sand (June 1990).

Worldwatch Institute
Contact Person: Hilary French, Senior Researcher

Focus: Worldwatch is doing research on ways to strengthen international environmental law and institutions, which will be included as a chapter in State of the World 1992. A paper on this topic is expected out in November or December of 1991, looking at how well existing treaties and institutions are or are not fulfilling their purpose, and suggesting ways of making them more effective.

United Nations Association - USA
Contact Person: Kathy Sessions, Policy Analyst

Focus: UNA-USA's work on UNCED began with a nationwide study project, with the Sierra Club, on environmental policy and on the frameworks in international law and institutions needed to address global environment and sustainable development needs. A national advisory committee, chaired by Edmund Muskie, synthesized project findings into Uniting Nations for the Earth, which included a call for a high-level UN council to oversee environmental problems, preferably a restructured and enhanced Economic and Social Council, with a measure of authority over UN's agencies to ensure policy coordination. UNA-USA is actively promoting its recommendations for strengthening legal and institutional frameworks to policymakers, as well working with the nongovernmental community through the US Citizens' Network on UNCED. UNA-USA, in cooperation with UNA-Canada, is organizing a high-level international discussion of legal and institutional issues of UNCED, to be held in September 23-25 in Des Moines, Iowa. UNA chapters at the community level also are engaged in public education and advocacy efforts to raise awareness of UNCED and of the legal and institutional issues involved.

DECLARATION OF THE HAGUE

The right to live is the right from which all other rights stem. Guaranteeing this right is the paramount duty of those in charge of all States throughout the world.

Today, the very conditions of life on our planet are threatened by the severe attacks to which the earth's atmosphere is subjected.

Authoritative scientific studies have shown the existence and scope of considerable dangers linked in particular to the warming of the atmosphere and to the deterioration of the ozone layer. The latter has already led to action, under the 1985 Vienna Convention for the Protection of the Ozone Layer and the 1987 Montreal Protocol, while the former is being addressed by the Intergovernmental Panel on Climatic Change established by UNEP and WMO, which has just begun its work. In addition the UN General Assembly adopted Resolution 43/53 on the Protection of the Global Climate in 1988, recognizing climate change as a common concern of mankind.

According to present scientific knowledge, the consequences of these phenomena may well jeopardize ecological systems as well as the most vital interests of mankind at large.

Because the problem is planet-wide in scope, solutions can only be devised on a global level. Because of the nature of the dangers involved, remedies to be sought involve not only the fundamental duty to preserve the ecosystem, but also the right to live in dignity in a viable global environment, and the consequent duty of the community of nations vis-à-vis present and future generations to do all that can be done to preserve the quality of the atmosphere.

Therefore we consider that, faced with a problem the solution to which has three salient features, namely that it is vital, urgent and global, we are in a situation that calls not only for implementation of existing principles but also for a new approach, through the development of new principles of international law including new and more effective decision-making and enforcement mechanisms.

What is needed here are regulatory, supportive and adjustment measures that take into account the participation and potential contribution of countries which have reached different levels of development. Most of the emissions that affect the atmosphere at present originate in the industrialized nations. And it is in these same nations that the room for change is greatest, and these nations are also those which have the greatest resources to deal with this problem effectively.

The international community and especially the industrialized nations have special obligations to assist developing countries which will be very negatively affected by changes in the atmosphere although the responsibility of many of them for the process may only be marginal today.

Financial institutions and development agencies, be they international or domestic, must coordinate their activities in order to promote sustainable development.

Without prejudice to the international obligations of each State, the signatories acknowledge and will promote the following principles:

(a) The principle of developing, within the framework of the United Nations, new institutional authority, either by strengthening existing institutions or by creating a new institution, which, in the context of the preservation of the earth's atmosphere, shall be responsible for combating any further global warming of the atmosphere and shall involve such decision-making procedures as may be effective even if, on occasion, unanimous agreement has not been achieved;

(b) The principle that this institutional authority undertake or commission the necessary studies, be granted appropriate information upon request, ensure the circulation and exchange of scientific and technological information – including facilitation of access to the technology needed –, develop instruments and define standards to enhance or guarantee the protection of the atmosphere and monitor compliance herewith:

(c) The principle of appropriate measures to promote the effective implementation of and compliance with the decisions of the new institutional authority, decisions which will be subject to control by the International Court of Justice;

(d) The principle that countries to which decisions taken to protect the atmosphere shall prove to be an abnormal or special burden, in view, inter alia, of the level of their development and actual responsibility for the deterioration of the atmosphere, shall receive fair and equitable assistance to compensate them for bearing such burden. To this end mechanisms will have to be developed;

(e) The negotiation of the necessary legal instruments to provide an effective and coherent foundation, institutionally and financially, for the aforementioned principles.

The Heads of State and Government or their representatives, who have expressed their endorsement of this Declaration by placing their signatures under it, stress their resolve to promote the principles thus defined by:

- furthering the development of their initiative within the United Nations and in close coordination and collaboration with existing agencies set up under the auspices of the United Nations;
- inviting all States of the world and the international organisations competent in this field to join in developing, taking into account studies by the IPCC, the framework conventions and other legal instruments necessary to establish institutional authority and to implement the other principles stated above to protect the atmosphere and to counter climate change, particularly global warming;

- en exhortant tous les États du monde et les organisations internationales ayant compétence en la matière à signer et à ratifier les conventions sur la protection de la nature et de l'environnement;
- en appelant tous les États du monde à souscrire à la présente Déclaration.

L'original de cette Déclaration, rédigée en français et en anglais, sera remis au Gouvernement du Royaume des Pays-Bas, qui le conservera dans ses archives. Chacun des États participants recevra du Gouvernement du Royaume des Pays-Bas une copie conforme de cette Déclaration.

Le Premier Ministre des Pays-Bas est prié de transmettre cette Déclaration, qui n'est pas recevable pour être enregistrée au titre de l'article 102 de la Charte des Nations Unies, à tous les membres des Nations Unies.

Fait à La Haye, le 11 mars 1989.

- urging all States of the world and the international organisations competent in this field to sign and ratify conventions relating to the protection of nature and the environment;
- calling upon all States of the world to endorse the present declaration.

The original of this Declaration, drawn up in French and English, will be transmitted to the Government of the Kingdom of the Netherlands, which will retain it in its archives. Each of the participating States will receive from the Government of the Kingdom of the Netherlands a true copy of this Declaration.

The Prime Minister of the Netherlands is requested to transmit the text of this Declaration, which is not eligible for registration under Article 102 of the Charter of the United Nations, to all members of the United Nations.

The Hague, 11 March 1989

Helmuth Kohl
Chancelier de la République Fédérale d'Allemagne
Chancellor of the Federal Republic of Germany

Gareth Evans
Ministre des Affaires Étrangères et du Commerce d'Australie
Minister for Foreign Affairs and Trade of Australia

Paulo Tarso Flecha de Lima
Secrétaire Général des Relations Extérieures
de la République Fédérative du Brésil
Secretary General of External Relations
of the Federative Republic of Brazil

Brian Mulroney
Premier Ministre du Canada
Prime Minister of Canada

Félix Houphouët-Boigny
Président de la République de Côte d'Ivoire
President of the Republic of Côte d'Ivoire

Muhammed Hosni Mubarak
Président de la République Arabe d'Égypte
President of the Arab Republic of Egypt

Felipe González
Premier Ministre d'Espagne
Prime Minister of Spain

François Mitterrand

François Mitterrand
Président de la République Française
President of the French Republic

+35 other Heads of State

Bio-Revolution in Agriculture

By Iftikhar Ahmed

The biotechnology revolution has immense promise for the benefit of the third world's poor. And yet recent analysis has shown that corporate strategies in this field are very largely directed towards technological and institutional ends which are totally against the interests of those who might benefit most — the small farmer or the landless worker.

By-products of the bio-revolution which favour the poor include:

— reduced farming costs through the elimination of petro-chemical inputs created by the green revolution;

— improved food crops which can be transferred to geographic areas which were largely neglected by the green revolution;

— the generation of farm jobs for workers in newly productive areas;

— an extension of job opportunities elsewhere, provided that labour is not displaced by the introduction of herbicide-resistant varieties which eliminate the need for weeding (weeding remains one of the most labour-intensive of all agricultural operations); and

— an extended range of food and other commodities now available for production and consumption by the poor (the green revolution concentrated on cereals).

Also of obvious benefit to the third world is the capacity to translate these bio-revolutionary benefits rapidly to the poor as well as the rich. The benefits of the green revolution, which relied heavily on costly inputs such as fertilizer, pesticides and irrigation, have been painfully slow in reaching the poor, although poor urban populations can be expected to benefit equally from the availability of more food at lower prices.

The bio-revolution itself can therefore be said to be "poor-friendly", and certainly less damaging to the environment than the green revolution with all its pesticides and other chemicals. Governments can contemplate huge savings from a reduced dependence on petro-chemical industries, and one would hope they will direct those savings to more labour-intensive sectors.

What is alarming, however, is a move by multinational chemical companies to corner the market for genetically altered seeds of all varieties.

Improved rice — Philippines

UN

Under the green revolution, chemical companies were satisfied with markets which were naturally generated by the demand of high-yielding varieties for complementary inputs of agri-chemicals. But if the bio-revolution eliminates dependency on petro-chemicals, the companies which sell some $30 billion worth of pesticides and fertilizers a year will find their markets eroded, and will gravitate towards new opportunities. Already, many of these companies have embarked on a buying spree of R&D installations and seed-breeding facilities, to gain control of the genetically interrelated market for seeds and chemicals.

Many of the techniques of the bio-revolution — including genetic engineering, and the genes themselves — can be patented, so it is little wonder that chemical companies with interests in both agri-chemical production and genetic engineering are vigorously lobbying for greater proprietary controls. The global market for applied biotechnology in plant agriculture alone is conservatively estimated to be worth $50 billion a year.

Over the past ten years there has been a massive gene drain from farmers' fields in the South to laboratories and gene banks in the North. An estimated 90 p.c. of all germ plasm currently held in these banks in fact came from the third world. It was gathered at no cost, but after manipulation in the laboratory it can be marketed under trade patent protection for enormous sums.

Roughly 40 p.c. of that stored germ plasm which originated in the developing world is now in gene banks in Europe and North America. Another 40 p.c. is stored with international agricultural research centres to which developing nations belong. But only 15 p.c. of the germ plasm has gone into third world gene banks directly. It is important to note that these International Centres were established as poor-friendly institutions. However, their financial origins and future are largely underwritten by Northern-based donors, and they must guard against being used as institutional and technological pawns in the hands of big corporations.

The routine cultivation of plants transformed by biotechnology is not expected before the mid-1990s, but now is the time to evaluate the situation and see that corrective measures are taken. The "anti-poor" implications of this emerging monopoly control over the crops of tomorrow are such that the bio-revolution must be harnessed and steered in a more equitable direction before structural rigidities set in.

There is one noteworthy wrinkle in the present corporate game plan to capture the global gene market. The developing countries are rich in genetic resources, while the temperate zones of the industrialized North are not. And this concentration of biological resources could be a major bargaining tool for the third world to ensure that corporate giants in the North share the technological value added to their basic germ plasm resources.

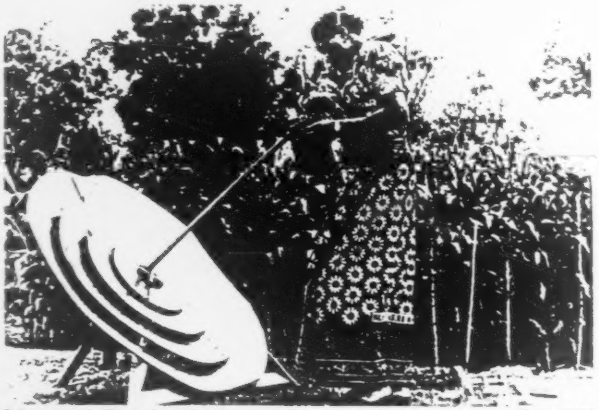
After all, without these basic genetic ingredients and raw materials from the South, all the sophisticated, complex and expensive tools of advanced biotechnology would be powerless. ■

ABOUT THE AUTHOR

Iftikhar Ahmed is a researcher with the International Labour Organisation (ILO). This article was extracted from his recent study "The bio-revolution in agriculture: Key to poverty alleviation in the third world?", published in the *International Labour Review*, vol. 127 (1988), No. 1. The ILO is currently supporting country studies in the field of biotechnology in seven developing countries — Philippines, China, Mexico, India, Kenya, Malawi and Nigeria. ■

Action – or destruction

BY MARIA ELENA HURTADO



Solar energy in Kenya: incentives to companies.

Photo: UNEP

SOME of the most important issues discussed at this PrepCom — climate change, biodiversity, and even a forest convention, if there ever is one — will not be negotiated at UNCED. Nor will another crucial issue: environmental technologies.

One of the limits to the transfer of technology to the Third World is intellectual property rights (IPRs). But the real negotiations on IPRs are taking place in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), where patents may become more entrenched.

The transnational seed companies, for example, have been lobbying on the issue of Trade-Related Intellectual Property Rights, or Trips, for the extension of patents to all forms of life, including plant genes. If approved, this form of patenting would be a serious blow to the maintenance of biodiversity and agriculture in the Third World since it would force farmers to pay royalties for any seed containing just one patented gene.

There are special problems with the patenting of life forms, but in general developing countries such as Malaysia and Mexico have come to accept that patents are necessary to stimulate innovation. But they want UNCED to agree on easy and preferential access to environmental technologies.

'No real barrier'

"Environmental technologies such as those for natural gas conversion, energy technologies for sustainable agriculture, or pollution control should receive special treatment," says Mexican delegate Ignacio Lichtinger.

But some industrialised countries, most prominently the US, continue to insist that there is nothing they can do because the technology is owned by private companies.

They also say that developing country access to these technologies is not a problem. As a report commissioned by the British government on the role of technology transfers in combatting climate change puts it: "The developing countries generally have access. This is more a perceived than a real barrier."

The real problem is that even if they have access, developing countries can not afford to buy all the environmentally-friendly technology they need at market prices.

A way of reducing that part of the cost made up by licence fees or royalties might be to consider environmental technologies as a matter of public interest. The concept already exists in some patent legislation. The Stockholm Act of the Paris Convention, for example, provides for the shortening of the life of a patent of scientific or educational interest to developing countries.

The inventors might not lose out - in fact they might even gain from a reduction of the profit margin of their product. "If the technology was included in an international agreement, they would have a larger, even captive, market", Lichtinger believes.

But solving the problem of royalties and licences will not be enough for most developing countries. "If developing countries can't get access or need financing, we are prepared to discuss it with them," offers Mark Lowcock of the British delegation.

Formula

The question, however, is whether that aid will be additional or will once again eat into the already insufficient budgets of multilateral and bilateral assistance agencies.

"We recognise Mexico's obligation to improve the global environment," says Ambassador J. Mateos. "Having access to the right technology is essential for that, but we will only be able to use it if it can be transferred to us on a non-commercial basis."

Mateos is vice-president of the interim fund for the ozone layer of the Montreal Protocol. He thinks that the formula used there could be applied more widely: "We drew up a list of 'agreed incremental costs' (to comply with the requirement to phase out ozone-depleting CFCs). The interim fund set up for this purpose can acquire technology and transfer it as a 'grant' to developing countries."

Some way will also have to be found to encourage companies to do research on technologies that address environmental problems specific to developing countries. A Brazilian delegate who did not want to be named suggested that a way forward might be to increase cooperation among enterprises of the South and the North in specific areas such as biotechnology.

"The private sector has to be involved but not in the traditional way, because what has been done up to now has been insufficient," he adds. Just as industrialised countries provide disincentives to exports of sensitive technologies, they could now provide incentives to companies working on technologies of interest to developing countries, suggested the Brazilian delegate.

What worries Third World countries is the stubborn resistance of the US in this conference to any suggestions of preferential transfer and financing of technology. Yet, as Mateos points out, "It will have to come. Otherwise, we will continue destroying the Earth."

BIODIVERSITY, BIOTECHNOLOGY AND UNCED 1992

by Edward Rugumayo

We all depend on the world's biological resources for our survival. Yet it is feared that a million plant and animal species are threatened with extinction over the next 20-30 years. On current estimates, up to 70 percent of the 185,000 tropical plant species could disappear over the next 25 years. One of the tasks of the Earth Summit in 1992 will be to put the the biodiversity question in a social and geopolitical perspective.

Most of the important centres of the world's biodiversity are in developing countries. Tropical forests alone are believed to contain about half the world's species. It is impossible to put a monetary figure on the total value of these resources to the world's community, but it is estimated that US agriculture alone benefits to the tune of several billion dollars a year from the use of plant genetic resources originating in developing countries. Plant-based drugs sold in industrialized countries are worth over US$ 40 billion a year. Even so, genetic diversity remains both underutilized and undervalued.

Currently only about US$50-60 million is spent on conserving plant genetic resources *ex situ*. This amount is very inadequate, and estimates show that US$500 million is needed for urgent work in genetic resource conservation of plants alone. It is even more difficult to estimate the magnitude of the funds which will be required if we are to adequately protect both plant and animal biodiversity. While gene banks and *ex situ* methods of conservation have a role to play in this protection, there is no substitute for *in situ* conservation; whether it be in the farmer's fields or in tropical forests.

There are already several international conservation treaties, but it is widely acknowledged that these are insufficient and that a new international biodiversity convention is needed. This will be one of the goals of the Earth Summit.

To be successful, however, this convention should promote conservation and the sustainable use of biological resources, both wild and domestic. The convention should also respect both national sovereignty and the indigenous knowledge and technology of local communities.

Indigenous knowledge is important because indigenous groups have tended to use a much broader variety of plants and animals to survive and are therefore biodiversity experts of sorts. Unlike most other societies today, who use only about 150 plant species for food and rely on just 30 of them for 95 percent of it, indigenous communities use a far wider range of species than modern agriculture. Communities such as the Amerindians, for example, use between 500 and 2000 species for their food. The key to sustainable utilization of these genetic resources is, therefore, in indigenous knowledge and in the technology developed by communities that use them.

Likewise, concern for the conservation of biological diversity recognises that severe genetic erosion has taken place as a result of the commercialisation of agriculture and forestry. This has led to genetic uniformity and the erosion of life forms. A related concern has therefore arisen for the protection of genetic diversity from the potential dangers of commercialised conservation.

Commercialised conservation is linked to the emergence of new biotechnologies which have transformed global genetic richness into the raw materials for the industrial production of food, pharmaceuticals, fibres, etc. Commercialised conservation judges conservation in terms of its present or future use for profits. This approach to biodiversity is, in effect, an attempt to reshape the conservation movement using the logic of market forces. It does not take into account that this will more or less erode genetic diversity.

Biotechnology is inextricably linked to biodiversity. Modern biotechnology promises to change life at least as profoundly as the Industrial Revolution. It can greatly increase our effectiveness in the areas of crop production, animal husbandry, food processing and health care; cutting costs and improving production. Biotechnology may provide us with potential solutions for the poor, the hungry and marginalised in the developing world.

Still, the ultimate uses of biotechnology are solely dependent on the motives of those who set the agenda for research and development and those who decide the nature and priorities of the problems to be solved. Currently, modern biotechnology is completely in the hands of private industry, outside any democratic decision-making process. Accordingly, trends in biotechnology research and development have of late been primarily oriented towards Northern interests and the pursuit of profit. This scenario, where technology introduced into a profit-oriented system will only serve to further disadvantage the poor, is one of the major concerns for NGOs, and it should be an important part of how biodiversity is discussed at the conference in Rio.

In spite of the immeasurable contribution that Third World biodiversity has made to the wealth of industrialised nations, the North continues to create legal and political frameworks to make the Third World pay for what it originally gave. The North should both acknowledge and pay royalties dating back hundreds of years to the Third World peoples who have protected and continue to protect biodiversity despite the ecocidal policies of past colonial governments and (more recently) multinational corporations. The latter, who patent byproducts of biotechnology for huge sums of money should be aware that they would not be able to do so in the absence of this biodiversity. The emerging trends in global trade and technology work inherently against justice and ecological sustainability. These must be thwarted by democratic forces worldwide.

We are entering a crucial stage in the debate over the control of the world's genetic resources. It is imperative that the proposed UN convention on biodiversity (to be discussed in Rio) and UNCED 1992 itself are used to establish a system which will ensure the conservation and sustainable use of biodiversity within an equitable framework. Such a system would recognise the rights of local communities and indigenous peoples and their past, present and future contributions to conservation and development. If, on the other hand, the world's resources come increasingly under monopolistic control, the conservation of biodiversity and the sustainable utilization of biotechnology will be irretrievably jeopardised.

Edward Rugumayo is in charge of organizing regional consultations on NGO participation in the UNCED process for the Environment Liaison Centre International (ELCI) in Nairobi, Kenya.

3

(Circa Mar-1, 1991)

SPED/PC - Sinopse Radiobras
Banco do Brasil - Washington, DC

In a letter from the US Vice-President Dan Quayle, President Collor was notified of the US disagreement with the Brazilian proposed text which will regulate pharmaceutical industries' patents. It says that the US government suggests that ilimited rights be given to the owners of technology in the sector, with validity for 30 years and retroactive effects.

Mr. Michael May, vice-president of the Pharmaceutical Manufacturer's Association, handed the letter over to President Collor.

* UMA CARTA-TORPEDO DO VICE-PRESIDENTE AMERICANO, DAN QUAYLE, ATERRIZOU NA MESA DO PRESIDENTE FERNANDO COLLO.

A MENSAGEM E CLARA:

OS EUA DIVERGEM DO TEXTO PRODUZIDO PELO EXECUTIVO BRASILEIRO PARA REGULAMENTAR AS PATENTES NA INDUSTRIA FARMACEUTICA.

NO RECEITUARIO POLITICO ENCAMINHADO A COLLOR, QUAYLE SUGERE DIREITOS ILIMITADOS AOS DETENTORES DA TECNOLOGIA DO SETOR, COM PRAZOS DE VALIDADE DE ATE 30 ANOS E EFEITOS RETROATIVOS.

CASO ESTA POSICAO SEJA ACATADA, O DESENVOLVIMENTO INTERNO DE TECNOLOGIA FARMACEUTICA FICARA SERIAMENTE COMPROMETIDO E O CONTROLE DE PRECOS DOS MEDICAMENTOS AINDA MAIS COMPLICADO DE SE EFETIVAR.

EM TEMPO:

O POMBO-CORREIO DO RECADO A COLLOR FOI O VICE-PRESIDENTE DA PHARMACEUTICAL MANUFACTURER'S ASSOCIATION, MICHAEL MAY. (PAG. 6)

Mr. SCHEUER. Thank you very much, Mr. Pace. That was a very eloquent statement.

We're running way, way over time, so I'm going to have to be very, very brief now.

Let me ask you a question about one legal and institutional issue, namely the apparent right of a country to dump its dirty laundry over the back fence with impunity now in a way that it couldn't have done under the old common law. Under the old common law, if a utility took a truckload of whatever, the detritus of an industrial society, and trucked it over the border and dumped it on the other side, there would be a right of that country not to have that happen, there would be a wrong that it did happen, and there would be a remedy in common law. Correct?

Mr. PACE. Yes.

Mr. SCHEUER. Now, today, that same utility can send that same garbage of an industrial society, the same detritus, up the smokestack, knowing that it's going to be carried by the prevailing winds across the border, and it's going to come down with predictably damaging results. Is there any thought among folks like you who have thought about international environmental law that we ought to create a new common law that nations have a right to be protected not only against the detritus of an urban society that is trucked across the border, but the detritus of an urban society that is brought across the border predictably by prevailing winds, and that a legal remedy would be created so that a country that is the subject of that kind of environmental aggression would have a legal remedy to pursue their rights?

And I'm talking about the right of Canada to get damages from the United States from the Ohio River Basin that sends up hundreds of tons of poison every year through the prevailing winds; I'm talking about the Scandinavian countries who are similarly the victims of environmental aggression by the industrial belt of Europe; I'm talking about Germany, France, Italy, Belgium, England that predictably send the detritus of their production facilities north through the same prevailing winds that afflict the Scandinavian countries. Is there any thought to developing a new common law that would make that kind of environmental aggression a wrong under common law and therefore provide a remedy for it?

Mr. PACE. Yes, sir, I believe this is one of the fundamental bases of the proposal in the Hague Declaration for a world authority on the climate change issue, extended to the point where we have global institutions, whether they are a sustainable development institution or just implementing treaties, but it is exactly that type of world authority that the United States has not been supportive of, even though twice in this century we were the major leaders for the developing of those institutions—the League of Nations and the United Nations system. So to me this process of UNCED is another great opportunity for the United States to reverse many years now of going backwards on these issues and to start taking a proactive stance.

Let me say that a lot of the discussion is about how we help those developing countries and help the Third World. There's a great deal of opinion out there that if we'd just stop taking resources out of the Third World and allow them to develop and not dump our waste in the Third World, that would do a lot more than all of the financial aid that we are giving.

[Supplemental remarks of Mr. Pace follows:]

Center for Development of International Law

P.O. Box 53149 Washington, DC 20009-3149

William R. Pace
Director

Tel: (202)462-5251
Fax: (202)462-4941

Following is a brief supplement to the testimony answer I gave on Page 131-132.

Mr. Chairman, as regards the specific question whether new common law is needed for transboundary environmental pollution, let me make the following brief comments. First, I very much like your referring to examples of this phenomena as "environmental aggression" and to " victims of environmental aggression." Many authorities argue that a state is responsible under existing international law if activities within its jurisdiction or control cause significant injury in or to territory of another state. That "polluter pays" principle is stated in the U.S. vs. Canada Trail Smelter Case: "under the principles of international law...no state has the right to use or permit use of its territory in such a manner as to cause injury by fumes in or to the territory of another state or the properties or persons therein...when the case is of serious consequence and the injury is established by clear and convincing evidence."

Parts of this principle may be found in the ruling of the International Court of Justice in the Corfu Channel Case, the Lac Lanoux Case and Principle 21 of the 1972 Stockholm Declaration on Human Environment, widely regarded as constituting customary international law, contains a more generalized statement.

It is my opinion, Mr Chairman that the greatest need is not so much for new law, but for strengthened institutional, judicial and enforcement authority.

Mr. Scheuer. Thank you.

Dr. Camp, we've discussed the Environment Convention in 1994, the U.N. Environment Convention—excuse me, the U.N. Population Convention in 1994. Do you have any hope that whatever progress we make in factoring in population concerns in the 1992 conference—and hopefully there will be some progress made—that 1994 will be a benchmark year and that we'll make major progress on the population explosion, on providing young couples with the ability to achieve their family size goals? Will there be an explosion of progress in 1994? Can we look forward hopefully to that conference, or had we better tend our knitting in the 1992 conference on the environment and hope to accomplish as much as possible there?

Ms. Camp. We need to accomplish as much as possible as fast as possible. We certainly can't wait until 1994 to get a global commitment to universal family planning by the end of the decade, because by then there will only be half a decade left. But indeed the UNCED conference, if it recognized in a very strong way the link between population and environment and development, between population pressure, environmental degradation, and continuing widespread poverty around the world, I think it could be a real springboard for a 1994 population conference which would finally commit all of the governments around the world to the specific kinds of action that we need to take in order to make family planning work.

We have known now for a number of years what governments need to do to spread family planning, to get widespread adoption of contraception, but we are not investing the level of resources that we need to accomplish that, and in many family planning programs the right policies are not in place. We know what they are, and I think if we can use the mounting concerns about global environmental problems to push the population issue forward faster that we could in this decade take the actions that are needed to prevent another doubling of the world population.

I continue to be concerned, however, that in part because of the lack of leadership within the United States on this issue that we are going to miss the opportunity that this critical decade presents, and if we dither away another decade in ideological debates in this country about whether population growth is a problem and whether or not family planning is important to its solution, then indeed we are looking at a stable world population at least triple the size of the one we have. We have got to act in this decade if we want to prevent that tripling of the world population scenario. We are just about out of time.

Mr. Scheuer. The doubling is taking place in any event right now, even as we speak.

Ms. Camp. Well, under the best possible scenario, we might stop world population growth between about 9 billion and 10 billion.

Mr. Scheuer. That's approximately double the 5.5 billion we have now.

Ms. Camp. That's right. That is inevitable even under the best case scenario, unless you expect a major increase in death rates—and there are some biologists out there who think that we may be facing that prospect—but barring some major increase in death rates, the best we can do is a stable population of around 9 billion people. But if you just projected out the current rate of decline in birth rates, we would be looking at a population about triple the one we have, because birth rates are not declining fast enough to avoid a tripling at this point.

Mr. **Scheuer**. What is the capacity of the earth in terms of resources—food, water, air—to support a population of 15 billion or 16 billion?

Ms. **Camp**. As far as I know, and as far as most biologists believe, a world population of 15 billion would be an ecological disaster and that long before that happened, indeed the productivity of arable land, the level of degradation of air and water and other natural resources would be so substantial that indeed we couldn't sustain the human species to get to the level of 15 billion people.

Now, there is obviously a lot of disagreement about what the earth's capacity is, but it is certainly true that at current levels of technology and investment and with current patterns of consumption around the world, including consumption patterns in the industrialized countries, we are undermining the life support systems that sustain us all, sustain all species, and so one could argue that at current levels of technology and development, the world is already overpopulated.

Mr. **Scheuer**. It's commonly said that we plow too much and we pump too much, and we can't continue to do that on a sustainable basis. We're putting land under cultivation that's going to collapse and revert to desert—forest land and agricultural land—and that we are pumping too much. We're reducing water tables all over the world to the point where they become saline and non-life-sustaining. So the prospect of a 15 billion or 16 billion world population is daunting and awesome.

Ms. Alexander, you mentioned in your testimony that technology transfer should be viewed as a two-way street. That's quite unusual, and it's not usually thought about in that respect. What forms of technology do you feel the developing countries could transfer to us? What's the other street?

Ms. **Alexander**. Well, I guess I was really referring to two things by that statement, one being we should encourage a realization that complex technology is not always the most appropriate. In fact, there are simple technologies like bicycles that are appropriate technology, and we shouldn't overlook that fact. Half the world's population gets around on bicycles, and we might consider, you know, developing means to emulate them rather than spreading the use of the automobile.

Mr. **Scheuer**. Well, I would have to say that in my experience bicycle technology is one that Third World countries try, and leap over and past as soon as they possibly can to get to automotive technology. It's a stage in their development process, but not one which they cherish very much, and they can't wait to get beyond it.

As a matter of fact, we have been pressing on Third World countries appropriate technology or intermediate technology, as it's variously called—technology that is much more environmentally benign and more energy efficient—but the Third World countries resist to the death the acceptance of appropriate technologies no matter how logical they may be. When there's a high-technology goal on the horizon that may be, as a matter of economics and environment, totally inappropriate to their needs, they will still reach as a matter of national pride to the high technology; another reason being that it's the elites in these Third World societies that will control the high technology, a very small percentage of their population, and they will accept the high technology, they'll manufacture a product that has very little employment, that doesn't use local resources, that is exported to meet a market somewhere else in the world, that doesn't provide very much employment, and is totally foreign to the needs of that country.

Of course, that's been one of the problems with the U.N. The World Bank constantly supports high-technology projects in Third World countries that, for example, are capital-intensive and employment-saving. Now, what the Third World needs is projects that are rich in employment possibilities and capital-saving. It's absolutely a monstrosity for the World Bank and the other financial organizations to finance high- technology projects in the Third World that are capital- intensive and labor-saving. They need precisely the opposite. They need to afford their people employment, and they need to horde their capital for elements in their society—for uses in their society for which there is no alternative.

Ms. ALEXANDER. Mr. Chairman, I wonder the extent to which you think that these developing countries are mirroring the values that they see in developed countries. We live in a really peculiar world where "Dallas" is played all over the world, and what's being emulated, I'm afraid, are higher standards of living rather than better quality of life.

Mr. SCHEUER. They won't get higher standards of living through labor-saving technology and capital-intensive technology. They'll get higher standards of living through programs that maximize the use of their capital and that provide jobs. Jobs are what the developing world needs more than anything else.

The World Bank and the International Labor Office tell us that by the end of the decade we will have a deficit of jobs world-wide of about 650 million jobs. Now, that's more than the entire employed population of the western world. It's inconceivable that we could achieve that. It's inconceivable that hardly any—it's inconceivable that most developing countries could think of even maintaining the present rate— terrible, pitiful, pathetic rates—of unemployment and underemployment, yet they're constantly pressuring the World Bank and the regional development banks for more projects that are capital-intensive and, if you can believe this, energy- saving. It boggles the mind.

Of course, the reason they get those grants is that the executives on these financing agencies are hired by the western developed countries. It's the representatives of the developed countries who sit on the Board of the World Bank and the regional development banks, and what they want to sell is their high-tech, and they don't want to sell appropriate technology or intermediate technology, whatever you want to call it. They want to sell their high-tech, their capital projects.

I've heard presidents of world banks tell me repeatedly over the years, "If you were an executive and you had $2 billion to spend on a project in Brazil or Nigeria, what would you prefer to do? Build one $2 billion dam that's designed by the British and built by the Koreans or the Japanese and managed by the Germans—you sign a contract with each of those and sit back and relax while it gets built—or would you rather have 1,000 $2 million projects that are labor-intensive and capital-saving spread out all over the landscape?"

The question they ask me is, "Where would you find the auditors to monitor those projects to make sure the money gets spent for the purposes for which they're supposed to be spent? And if you were an executive of the World Bank or a regional development bank, which one of those two options would you go for?" Unless you're a saint, you'd probably go for the one where you have to deal with the Germans and the Japanese and the British and sit back and watch that dam get built, when that dam may be the last thing that that country needs.

Well, I hate to end the hearing on such a depressing note, but such are the realities of life out there. I thank you very much for your patience. It's now 1:00 in the afternoon, you've been waiting for several hours, and I'm grateful to you for your fine testimony and for your patience.

The hearing is adjourned at the call of the Chair.

[Whereupon, at 1:00 p.m., the subcommittee adjourned, to reconvene at the call of the Chair.]

APPENDIX

Testimony by
James Gustave Speth
President
World Resources Institute
and
Chairman
Environmental and Energy Study Institute
Task Force on International Development
and Environmental Security

Before the
Subcommittee on Environment
House Science and Space Committee

Hearings on
1992 United Nations Conference on Environment
and Development (UNCED)
May 7, 1991

Mr. Chairman, members of the Committee, thank you for this opportunity to testify on the 1992 "Earth Summit," the U.N. Conference on Environment and Development (UNCED) to be held in Rio de Janeiro, Brazil.

I am offering these comments this morning in two capacities: as president of the World Resources Institute and as chairman of the 21-member Task Force on International Development and Environmental Security convened by the Environmental and Energy Study Institute (EESI). Our Task Force released its final report, Partnership for Sustainable Development, earlier this month, and I draw liberally from it in the statement that follows.

The 1992 Earth Summit presents an extremely important, once-in-a-generation opportunity for the world community. This event comes not a moment too soon, for while earth's geopolitical systems may be faring better, its ecological systems are in deep trouble.

It is up to all of us to ensure that the 1992 Conference is a major success. To be successful, the Earth Summit must realize the potential inherent in the high-level, 20-year event that it is. It must come to stand for something. It must, in retrospect, be viewed as a turning point.

To help ensure that this happens, the United States and other national governments, the UNCED Secretariat, and non-governmental actors must prepare concrete initiatives that 1) are capable of having a large impact on the major global-scale problems, 2) are amenable to intergovernmental adoption and implementation, and 3) can be ready in time for 1992. We must then work diligently -- together -- to see that such initiatives are adopted in Rio in 1992.

In this statement, I will describe ten such critically important initiatives. If adopted, this ten-point agenda would make a world of difference.

The ten initiatives presented here focus on international actions the community of nations can take together at the Earth Summit. In every case, they are actions the United States government can and should be promoting in the preparatory work for the 1992 conference.

Many of these actions are aimed at building a North-South partnership for economic progress and environmental protection. They seek to address the needs of the developing world for access to finance and technology, for debt relief, and for other cooperation and support, while also addressing the need shared by all countries to protect the global biosphere.

I should add that these initiatives are not intended to address -- save in one or two instances -- the domestic policies the United States should adopt as our contribution here at home to making our own economic progress environmentally sustainable.

The ten initiatives recommended here are as follows. I note in the text where the recommendations are also those of the EESI Task Force on International Development and Environmental Security as described in Partnership for Sustainable Development.

1. Adopt an international convention to protect the earth's climate from global warming, including an agreement among industrial (OECD) countries to cap emissions of carbon dioxide, the principal "greenhouse gas," at 1990 levels by the year 2000.

The opportunity presented by the Earth Summit to make progress on global climate protection should not be allowed to slip by. A meaningful international convention should be signed in Rio in 1992.

Any agreement should contain provisions that build on the single most encouraging thing occurring today in response to global climate risks: the decisions by numerous industrial countries, including Japan and virtually the whole of Europe, to limit carbon dioxide emissions without waiting on the rest of the world or even their neighbors and trading partners. The 1992 climate convention should thus include an industrial country (OECD) agreement to restrict carbon dioxide emissions. At a minimum, its provisions should ensure that, with regard to signing countries or groups of countries, CO_2 emissions in 2000 not exceed those of 1990. This is the objective now being negotiated within the European Community. It should be possible to build on the EC agreement within the time available before UNCED. (Reductions in CO_2 emissions, essential to stabilize greenhouse gases in the atmosphere, can be negotiated another day.)

Supporting such an industrial country agreement is particularly important for the United States. With only 5 percent of the world's population, the United States consumes 25 percent of the total commercial energy used in the world each year. The amount of energy we require to produce one dollar of GNP is higher than all other OECD countries except Canada.

Some 90 percent of the energy we consume comes from fossil fuels. As a result, the United States is the single largest emitter of the principal greenhouse gas prompting global warming, carbon dioxide, which is released when fossil fuels are burned. U.S. emissions of carbon dioxide per person are higher than all other OECD countries except Luxembourg.

The average American consumes 15 times more energy than the average citizen of the developing world. Developing country leaders and opinion-setters are acutely aware of such statistics. Many believe, perhaps correctly, that America's extremely high levels of resource consumption and pollution are the best examples available of unsustainable development.

High U.S. energy consumption is largely a function of energy prices that are extraordinarily low by the standards of the industrial world. The United States has the lowest energy prices of any industrial country, primarily because we have low taxes on energy. In most other OECD countries, gasoline taxes range from two to twelve times greater than those in the United States. As the chairman of the House Committee on Energy and Commerce, Rep. John Dingell, has noted, "The cost of gasoline at the pump, electricity in your home and natural gas at your factories does not reflect its true cost to our nation."

The United States government should adopt energy policies and implementing measures that will achieve major gains in U.S. energy efficiency and reduce emissions of carbon dioxide and other environmental pollutants. While many initiatives are needed to achieve these goals, the United States should rely heavily on market-based approaches such as energy and pollution taxes that make the price of energy more accurately reflect its environmental and security costs. Measures aimed at energy price reform -- such as gasoline taxes, a carbon tax and other similar approaches -- should be at the center of U.S. energy strategy.

Various studies have indicated that a tax or fee on carbon dioxide emissions would be the most cost-effective policy instrument for these combined objectives. It could be implemented by imposing fees at the point of extraction or import of coal, petroleum and natural gas based on each fuel's carbon content per energy unit. Non-energy uses of fossil fuels would be excluded. Estimates of the costs of carbon taxes based on economic models typically have a built-in bias toward overstatement. They tend not to take into account the economic benefits from enhanced energy efficiency. Even so, a recent study by Dale W. Jorgenson and Peter J. Wilcoxen of Harvard University for EPA has estimated that a $60 per-ton carbon tax could reduce carbon emissions by 20 percent of 1990 levels by 2005 at a cost of 1.6 percent of U.S. GNP. These relatively low costs derive in part from using the $75.8 billion in annual revenues from the carbon tax to lower other federal taxes.

Moreover, there are economic and environmental benefits that are not included in these calculations.

2. Launch a Global Biodiversity Strategy and Decade Action Plan to protect, understand and use wisely, the earth's diversity of plant and animal species, which are now being committed to extinction at rates -- about 100 species a day -- unprecedented in 65 million years.

The World Resources Institute, the International Union for the Conservation of Nature, and the United Nations Environment Programme are now spearheading a major worldwide campaign to mobilize international action to maintain biological diversity. A global strategy and decade action plan are being developed. This entire effort, involving collaborative efforts with thirty-plus partner organizations from numerous countries across the globe, is being organized to be of maximum usefulness to UNCED. Developing initiatives for formal adoption by governments at UNCED is a central goal.

Needed is a wide range of local, national, and international activities aimed at saving, studying and using wisely the world's biodiversity. Saving biodiversity means taking steps to protect existing genes and species. Studying means documenting its composition and distribution; coming to a deeper understanding of the role and function of genes, species, and ecosystems; and bringing ethical, cultural, and material values related to biodiversity to the fore. Using biodiversity wisely means using it equitably and sustainably for the benefit for all people now living and future generations as well -- a task requiring appreciation of all the ethical, aesthetic, cultural, and material benefits biodiversity provides along with environmental services.

Among the key actions called for are:

- remove policy distortions causing the misuse of biological resources
- strengthen protected areas, zoos, botanic gardens and germ plasm facilities
- expand information, research and awareness activities
- manage critical biodiversity regions at the ecosystem scale
- integrate biodiversity conservation into national development plans

The global biodiversity convention currently being negotiated by governments promises to establish a long-term framework for intergovernmental cooperation. The Global Biodiversity Strategy and Decade Action Plan is being designed to be complementary with the proposed biodiversity convention, but the strategy and action plan can be adopted and implemented even if the convention is not adopted in 1992.

These programs must be built upon open dialogue and negotiation among all interested parties. They must be scientifically credible. The challenge is nothing less than saving the world's species and ecosystems; developing an understanding of their content, role and value; and stimulating a deep appreciation of the economic value of genetic resources and ecosystem services. There's not a lot more time. Governments can't do the job alone, but they can play a key leadership role.

It is critically important if we are to save the planet's biological heritage that governments North and South, East and West join in this vital effort at the 1992 Summit.

3. Adopt a world forests agreement aimed at halting the destruction of mature natural forests - whether high latitude, temperate, or tropical -- and complement it with agreement on a new program of international partnerships to save tropical forests.

Encouraging progress is being made in international discussions on a world forests agreement, including some progress on general principles and goals. But these discussions should be complemented by the establishment of a framework through which tropical developing countries that want to bring their deforestation under control can receive major assistance and support from the industrial countries.

The loss of the world's tropical forests accelerated at a disturbing rate during the 1980s. The United Nations Food and

Agriculture Organization (FAO) estimates that 40 million acres of tropical forests are being lost annually -- an 80 percent jump between the late 1970s and the late 1980s.

As suggested in Partnership for Sustainable Development (Recommendation #3) and elsewhere, the United States and other countries should propose a global partnership to bring tropical deforestation under control and to move to sustainable management of remaining natural forest areas. This partnership would seek to halt the loss of tropical forest resources through a combination of policy reforms, long-term planning for the stabilization of tropical forests, and the commitment of meaningful financial and technological support from industrial countries to tropical forest countries undertaking these initiatives.

The central mechanisms for controlling tropical deforestation would be national forest stabilization plans drawn up by tropical forest countries themselves and a new consortium of industrial countries and multilateral agencies committed to providing major additional support through a process of country-by-country discussions. A national plan would specify what actions the country would take both inside and outside the forest sector in order to halt the loss of primary forests and address the underlying forces now leading to deforestation.

The industrial country consortium would announce that it "stands ready" to assist any tropical country experiencing serious deforestation. The decision to participate in the new program would rest entirely with the tropical developing country.

Significant new resources would be required. Depending on the needs of the particular country, the negotiated package of financial and other support could include phased debt reduction as the plan is implemented; increased support for developing country exports; new concessional financing; incentives of private investment; access to needed technology; and support for raising agricultural productivity, carrying out land reform and promoting agroforestry.

Each national plan would specify targets for the preservation and sustainable management of forests covering a period of 10 years or longer, leading to the goals of "no net loss" of forest cover and minimization of primary forest loss.

These national plans would differ for those which have been drawn up in connection with the Tropical Forestry Action Plan. They would be based on broad public participation, including that of NGOs and those that live in or depend on the forests. They would feature realistic targets for halting deforestation and would focus on all key national and international policies bearing on forest loss. The understandings arrived at between tropical forest countries and the donor consortium would provide an impressive range of economic and other support for the duration of the agreement, and not just financing of forest sector projects. In each case, continuation of special support would depend on vigorous implementation of the plan.

4. Create a multilateral authority to reduce developing country external debt -- both official and commercial -- while promoting policy reforms and other programs for sustainable development.

The external debt of developing countries, which increased from just over $50 billion in 1970 to $1.2 trillion in 1990, has taken a heavy toll on social and economic development and on the environment and natural resources in many developing countries.

The priority that developing countries place on reducing their debt burdens, the linkage between debt and resource degradation in those countries, and the growing secondary market in developing country debt all point toward an important opportunity for developed countries to use debt reduction to support sustainable development.

The United States and others should support agreement at UNCED to establish an International Debt Management Authority to purchase significant debt obligations of selected countries at severely discounted prices on the secondary market. (See Recommendation #4 in Partnership for Sustainable Development.) The authority would negotiate with the debtor countries in question to forgive those debt obligations gradually over a period of years. In return, the countries in question would adopt policies and initiate programs supporting sustainable development. The authority also could negotiate the forgiveness of official bilateral debt where appropriate.

The policy reforms required for debt forgiveness would emphasize sustainable development. Depending on the nature of the indebted nations' needs, the policies to be encouraged might include implementation of a national plan to control tropical deforestation; appropriate energy pricing and least-cost energy strategies; a strategy for reducing population growth; land tenure reform; measures to raise the legal, social and economic status of women; and manufacturing strategies emphasizing job creation. Debt would be forgiven progressively over a period of five or more years, on the basis of performance on agreed policy commitments.

5. Launch a major international capacity-building initiative to help both low- and middle-income developing countries shift to environmentally and economically sustainable development paths.

This initiative - which the United States should urge all nations to join in launching at UNCED - would help prepare the way for improved development planning and projects. Led by the U.N. Development Programme and cooperating closely with the bilateral development assistance agencies and the U.N. Environment Programme, the initiative would focus support on promoting sustainable agriculture, sustainable management of forest and biodiversity resources, sustainable energy management, pollution control and family planning. Within these areas, it would seek to address a critical set of developing country needs:

- Assistance in training developing country citizens, including support for developing country universities, NGOs and other critical institutions.

- Technical and planning assistance to translate the overall goal of sustainable development into concrete policies, action plans and specific projects.

- Cooperation with the private sector to hasten the deployment of environment-saving technologies in developing countries on favorable terms.

- Support for scientific research and the development of the new products, plants and systems needed for sustainable development.

- Assistance in designing and financing demonstration projects that will open up sustainable development paths.

6. Establish "sustainable development facilities" within the multilateral development banks to catalyze an increase in the quality and number of projects aimed at conserving natural resources and increasing their productivity.

The current system for preparing and financing development projects is not meeting the need for sustainable development financing. Too few sustainable development projects are prepared, financed and implemented, and too few of those that are implemented succeed in achieving lasting improvements in resource management.

To overcome the obstacles to increased sustainable development financing, the United States should support agreement at UNCED to create sustainable development facilities (SDFs) in each of the three regional multilateral development banks. These SDFs would be devoted exclusively to furthering the preparation and financing of sustainable development projects, particularly environmental and conservation projects that are severely underfunded today.

Similar functions should be integrated into the operations of the World Bank through appropriate institutional changes. The World Bank's Global Environmental Facility (GEF) addresses only global environmental issues, including ozone layer protection, greenhouse gas emissions and protection of biodiversity and international waters. This agenda leaves a large array of unmet sustainable development needs: soil degradation, air and water pollution, forest management, coastal zone degradation and others. Also, many projects will fall outside the GEF because it will tend to focus on larger projects and because its resources are too limited to cover even its chosen areas.

Because of the World Bank's size, it is especially important that it have a unit that specializes in the special needs of sustainable development projects. (These needs are described in WRI's Natural Endowments: Financing Resource Conservation for Development and in Partnership for Sustainable Development, Recommendation #2.) As presently constituted, the GEF will not be such a facility, and the United States should support changes that would assure that the World Bank does carry out such functions through an enhanced GEF or other appropriate arrangements.

7. Create a center for training and research on energy efficiency and renewable energy in each of the major developing country regions, and establish an International Solar Energy Agency.

A key component of global cooperation to reduce environmental problems is the transfer of additional energy efficient and renewable energy technologies to the developing countries. However, the term "technology transfer" is often misunderstood as referring only to the actual transfer of factories, power stations or transportation systems from industrial countries to developing countries. While this type of "technology transfer" is important, it will accomplish little if it is not accompanied by the strengthening of developing country capabilities to devise and implement energy efficiency and renewable energy strategies to master their accompanying ies. Another vital component is research and development for energy efficient and renewable technologies applicable to the developing world, including village-scale applications for low-income consumers.

The United States should work closely with other countries to promote the establishment through UNCED of a network of international centers for energy efficiency and renewable energy strategy, with at least one center in each major region of the developing world. (See Recommendation #10 in Partnership for Sustainable Development.)

To ensure that they meet the needs of developing countries, these centers would be managed by boards made up largely of developing country representatives. They would provide education and training in a variety of approaches to energy efficiency and renewable energy, including end-use analysis, least-cost planning, renewable power generation and efficiency standards. These centers would address both commercial and non-commercial energy use. The research component of these centers would emphasize the development of renewable energy and energy efficiency technologies that are most appropriate to conditions in developing regions.

8. The U.N. System and its relevant agencies should be strengthened substantially in order to cope with the environment and the development challenges of the 1990s and beyond.

Exactly how best to accomplish this strengthening is the subject of several investigations now under way. But already it is clear that a major enhancement of the U.N. Environment Programme is in order. UNEP needs the additional financial resources and an expanded mandate to do at least the following:

- carry out monitoring and assessment and provide early warning and accurate information on environmental conditions and trends;
- forge international action plans, agreements, and conventions and monitor and report on progress under them;
- provide critical functions within the U.N. system including leadership in coordinating among U.N. agencies on environmental matters, high-level policy advice to the U.N. Secretary General and top U.N. organs, and assisting U.N. agencies in building their own environmental expertise; and

- serve as an advocate and ombudsman for the global environment, working closely with environment ministers from around the world and seeking to bring environmental objectives and values into new fields such as trade, debt management, and international security affairs.

These are minimum objectives that should be supported by the United States and agreed to by governments at UNCED. Agreement should also be sought by June 1992 on other proposals to strengthen the U.N. system.

9. Promote population programs by agreeing to increase sharply international support for meeting the global demand for family planning services, and launch an international initiative to raise the social and economic status of women in developing countries.

Women are the main providers for one-third of all households and two-thirds of the poorest households in the developing world, and they produce more than 50 percent of all food grown and consumed locally. Women can make or break sustainable development campaigns, not only because they are the primary managers of natural resources within their communities but also because they can alter dramatically population growth rates if they can take control of fertility decisions.

Women the world over want access to quality reproductive health services so they can space their children, have safe pregnancies and safeguard their own health as well as the health and nutrition of their children. Recent studies indicate that, if quality family planning information and services were readily available, about 75 percent of reproductive-age couples in most countries would use them, compared to about 50 percent today. Moreover, worldwide demand for a range of family planning services is increasing faster than supply.

Widespread access to family planning services is essential to achieving a two-child family average, or "replacement-level fertility," and population stabilization. The health of mothers and children and general quality of life also are improved by family planning services. Achieving replacement-level fertility by 2015 would result in the stabilization of world population at about 9.3 billion in about 2095.

Using increased funding and other means, the United States should support agreement among governments at UNCED on a program for stabilizing world population in the next century before it doubles again, through meeting the worldwide demand for family planning services. (See Partnership for Sustainable Development, Recommendation #5.)

But many women cannot make use of available services because cultural or family restraints will not allow them and because they lack the status and self-confidence that come from education and independent income. Clearly, family planning and other reproductive health services will not reach their full potential for reducing fertility rates unless complementary efforts are made to expand economic and educational opportunities for women.

The United States should urge UNCED and others to launch a coordinated global effort, building on the U.N. Decade for Women, to raise the socio-economic status of women. A coordinating committee for a "Global Action Plan on the Status of Women," with representatives of principal development assistance agencies, U.N. agencies, and developing country governments and NGOs, should adopt a 10-year plan with appropriate global targets to work toward this goal. (See Partnership for Sustainable Development, Recommendation #6.)

10. Agree to a new funding mechanism to provide the financial support needed for these and other initiatives aimed at supporting sustainable development and environmental protection in developing countries.

One option with several attractive features has been put forward by Dr. Jose Goldemberg, Brazil's Secretary of State for Science and Technology. Dr. Goldemberg notes that if a levy of $1 per barrel of oil or its carbon equivalent were imposed on global fossil fuel use, the levy would generate about $50 billion a year, enough new and additional resources to ensure that the initiatives urged here and possibly others have sufficient financial backing.

The purpose of this carbon levy would not be primarily to discourage energy consumption, any more than a highway toll is intended to discourage automobile travel. Rather, the levy would be an arguably fair and effective way to raise the money needed to fund a transition into an ecologically more benign economy. The levy would have to be collected at the source, as an increase in the price of oil, coal and gas.*

Either through this means or some other, the United States and other governments should agree at the Rio conference to establish one or more funds to provide the additional financing developing countries will need to participate fully in the urgent campaign needed to sustain the earth and its people.

Thank you for this opportunity.

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*A similar proposal to create a global environmental fund through a levy on greenhouse gas emissions was proposed in WRI, Natural Endowments: Financing Resource Conservation for Development.